United States Foreign Assistance Oral History Program

Foreign Affairs Oral History Collection

An Interview with

David Lazar

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Association for Diplomatic Studies and Training
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ASSOCIATION FOR DIPLOMATIC STUDIES AND TRAINING
ORAL HISTORY COLLECTION

The Association for Diplomatic Studies and Training, a non-profit, tax-exempt organization, was established in 1986 to enhance the training of foreign affairs personnel and to instill in the public a greater appreciation for our diplomatic history.

The Association's Foreign Affairs Oral History Program was established in 1988 and is housed in the Lauinger Library of Georgetown University and at the Foreign Service Institute in Arlington, VA. The collection is comprised of oral histories taken from a number of projects, with the unifying factor that all concern the conduct of American foreign affairs and experiences of those employed in the field of diplomacy and consular affairs and their families.

The oral history collection includes interviews done under the auspices of the Foreign Service History Center of George Washington University, which was amalgamated into the Foreign Affairs Oral History Program, the Foreign Service Family Project, the Women Ambassadors' Project, the United States Information Agency Alumni Association Project, the Foreign Assistance (AID) Oral History Project, the Senior Officers' Project, the Labor Diplomacy Oral History Project and others.

The aim of the US Foreign Assistance Oral History Program, in particular, is to develop a collection of oral histories of those who have served USAID and predecessor agencies and those who have served in foreign assistance programs of associated organizations such as private firms, private voluntary organizations, and other US government agencies. The Center for Development Information and Evaluation (CDIE) of the USAID has made a grant to help finance the preparation of 120 oral histories.

For the most part these interviews are carried out by retired USAID personnel on a volunteer basis, directed by the Oral History Program. The interviews are unclassified, and unless so marked are available for use by researchers. Most of these interviews have been transcribed and then returned to the person interviewed for editing. The transcript is an edited version, and is not a word for word rendition of the cassette tape. The editing usually consists of correcting of names and dates that have been missed during an interview. The individual interviewed may also choose to expand upon topics that may not have been developed in the time allotted for the interview.

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United States Foreign Assistance Oral History Program
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An interview with
David Lazar

Interviewed by: W. Haven North
Initial interview date: March 20, 1997

Q: This is an interview with David Lazar who retired from USAID in what year?

LAZAR: In 1989.

Q: And how many years were you associated with the Foreign Assistance Program?

LAZAR: Thirty years.

Q: Joining in?

LAZAR: In 1958 actually.

Early years and education

Q: I see. Well let's start off with your early years David. Where you were born, grew up, educated and anything along the way that might indicate how you got interested in international affairs, and international development.

LAZAR: I was born and raised in Chicago. I got my undergraduate degree in journalism at Northwestern. A couple of years later I went to law school at De Paul University in Chicago. As I was about ready to graduate from law school I started thinking about the kind of law I wanted to practice. I had never really thought about that.

Q: Was there any incident earlier, even before going to university, that caught your interest in international affairs?

LAZAR: Nothing more than a sort of general interest. If I had heard at all of the Foreign Aid Program, and I don't remember having done so, but I probably read about it in the paper, it didn't stand out in my mind anymore than anything else that the government was doing. What got me into foreign affairs was that when I got out of law school (that was just as the St. Lawrence Seaway was coming through to Chicago), and I decided that it would be a good idea to get a degree in international law and then come back to Chicago and set the whole town on fire again. So, I came to Georgetown and got my degree in international law. My faculty advisor was a guy for whom I had an enormous

amount of respect, Stan Metzger. At that time, he was the legal advisor to Douglas Dillon. Douglas Dillon was the Under Secretary of State for Economic Affairs and by virtue of wearing that hat he also ran the Foreign Aid Program.

Q: What year was this?

LAZAR: It was 1957/8. Along about graduation time Stan Metzger said, "Have you ever thought about working for the United States government?" I said that it had flickered through my mind once but didn't last long enough to make an impression. He said, "Well, that is kind of a shame because there is a program that I think you would find of interest, the International Cooperation Administration." Then he said, "Why don't you just go down there and talk with them?" So, I went down and talked to the General Counsel and found out about the program.

Q: This would have been ICA at that time.

LAZAR: Yes, ICA. I applied for a job in the General Counsel's office and got one. So, I really just fell into AID/ICA. I wasn't pointing towards that at all.

Q: Was there any aspect of the international law program that you emphasized or specialized in?

LAZAR: Well, that program was private law mostly - international transactions between corporations, private individuals. There was, of course, some content that was public law, like the Law of the Sea, customs, tariffs, which fascinated me as a body of study. I did begin to get into them partly because Stan Metzger had been involved in negotiating some of the earlier post-war trade agreements. But, again, nothing in law school pointed me particularly towards foreign affairs.

Joined ICA's General Counsel's Office - 1958

Q: You joined ICA in 1958?

LAZAR: Yes, June, 1958.

Q: What was your first assignment?

LAZAR: Well, I was in the General Counsel's office and they had a drill. The first thing you did as a newly-hired lawyer was work with Betty Borady on personnel, administration, etc.

Q: What kind of issues were you addressing in that context?

LAZAR: Personnel and administration issues from a lawyer's view point. Formulating, drafting, clearing manual orders. Handling legal matters that came up involving personnel or administration.

Q: How long did you do that?

LAZAR: Oh, about a year, a year and a half, as I recall. Then I worked with a lawyer named Les Grant who had come in from the Marshall Plan. His main job was keeping Congressman Porter Hardy happy, which wasn't an easy thing to do. Porter Hardy was the head of the Governmental Affairs Subcommittee of the House Foreign Affairs Committee. So he had oversight of the aid program, which was sort of one continuing investigation. There would be a long investigation and then a series of hearings and then go somewhere else and do another long investigation.

Q: Do you remember any particular issues that were addressed?

LAZAR: Oh, yes. The investigation of our program in Laos was one that went on for well over a year.

Q: This was mainly what happened to the money kind of thing?

LAZAR: No, there was more to it than that. There were allegations of some, to say the least, inappropriate behavior by some high level US aid officials in Laos. That, I think, was the first taste I had had of what those ICA jobs overseas might be like because in the course of that investigation we interviewed at great length everybody that the committee wanted to interview. The job was to in a sense, stay ahead of the committee and try to find out what was happening, what they were liable to find or what they were liable to think they had found when in fact they hadn't and to get that story out clearly. This was when I got seriously interested in overseas work.

Q: Were there other cases that you remember?

LAZAR: Yes, one in particular involving the program in Peru. That investigation and its aftermath were still echoing when I was assigned to Peru about five years later. About that time there was the switch from ICA to AID.

Q: Yes, in 1961.

LAZAR: Right.

Q: You were there at the transition?

LAZAR: Yes.

Q: What was your understanding of why it was being reorganized?

LAZAR: Well, I must say I do remember a congressional soliloquy back then about the reorganization of the program, I don't remember if it was congressmen or senators, saying that you (the Executive Branch) never really change the program you just change the name, the initials. It was MSA, then it was TCA, and then ESA. And then you got this interjection, "Will the gentleman yield?" The gentleman yielded. Then: "The gentleman has forgotten the most important, the most appropriate set of initials by which this program was ever known, ERP (European Recovery Program)!"

I was too junior to have had any kind of real appreciation of what was going on. I don't remember, for example, whether the Development Loan Fund broke off at that time or came back in at that time.

Q: It was brought in.

LAZAR: I do remember that it seemed to me to make sense that you put capital assistance and technical assistance together rather than trying to handle them separately as two separate activities. Skipping way ahead, that was a theme I picked up many years later when I was at the Development Assistance Committee (DAC) in Paris. One of the things that we do in DAC is members take turn examining each other's programs and making recommendations. It fell to me to do the German aid program, which was and still is broken up quite distinctly into technical assistance and capital assistance. They really are separate and they really do not work together at all, partly because capital assistance is heavily under the influence of the finance minister whereas technical is run out of the foreign office, so there is bureaucratic resistance. In any case, in terms of the ICA/AID transition, the combination of the two made a lot of sense to me.

Another thing that I was working on at the time was the Institute for Inter-American Affairs (IIAA) which had existed in Latin America as a separate government program and was pulled into AID. So, I got involved in that reorganization and in phasing out the mechanisms by which IIAA had worked, called servicios. The IIAA, which was also called the Rockefeller Fund, I think, had been set up during World War II, principally to insure a supply of the materials that were needed, rubber, tin, etc. and that involved helping in agriculture, helping in education, helping in health, first, as I understand it, in the immediate production areas, but then those operations expanded. It was trying to work with the governments involved at that time which proved to be extremely difficult. So what the IIAA did was to set up the servicios, joint services, which paralleled what should have been done but wasn't being done at all by the ministries of health, education, transportation, etc. So, they took the best people out of those ministries and put them in a separate organization with separate administrative procedures which were based on US administrative procedures. There were co-chairman, one US and one local national. The treasurer was always an American. We always kept the money under our control. They were much better run than the parallel ministries. It wasn't until later, when I got to Latin America and worked there that I finally realized that the idea was just starting to get through that governments were supposed to do something rather than provide an opportunity for ministers and high level officials to appoint their relatives to jobs, which was not done cynically nor was it venial. That had come from the Spanish colonial era when that was the way it was done. A man's first moral responsibility is to his family, so there didn't seem to be any problem there until the rather new notion started going around that the Ministry of Education needed to be concerned about a national education system. That the Ministry of Health, rather than operating that one modern hospital in the capital, which was mostly for people with clout or the people who could afford it, really ought to be broadening. That the Ministry of Transportation, instead of building roads out to the haciendas of the most powerful people around should be extending transportation all over the country.

Q: A very family oriented, elitist style of government.

LAZAR: Yes. The old Spanish colonial system of the grandees who were responsible to their lords

and masters in Spain. Everything passed through them. It was a feudal system. There are still some traces of that down there. Most of my career was in Latin America and mostly it involved helping those government shift from that.

Q: You mentioned that the motivation for the IIAA being created and having these servicios was a foreign policy interest in military/industry concerns with natural resources?

LAZAR: For raw materials was my understanding--rubber, tin, copper, etc.

Q: By providing this assistance we somehow established a quid pro quo with the governments for access?

LAZAR: No, not as such. The quid pro quo for the minerals was that we bought them. But, this was really to assure that production would be maintained or even increased. So transportation - principally road building - was to get product out and supplies in. Health was focused on the workers in these industries and their families. That was during the war and doing what was necessary from an administrative point of view and a social infrastructure point of view--health, education, etc.--to be sure that production needs were being met. That expanded after the war into an aid program. At what point it happened or how it happened I don't know; I wasn't there. But, at some point the health servicio was really running a public health program and the transportation servicio started out by doing general highway transportation planning for the whole country and then undertaking to get some roads built, etc. Each of those servicios was a separate empire.

Q: These were folded in when IIAA was brought into ICA?

LAZAR: Yes. Also at that point ICA picked up the model that they had been using in Asia, at least, of the aid mission under a single mission director. What you had in Latin America was three, four, six individual aid programs going on in a number of countries. Each servicio was a separate program.

Q: There was no mission as such?

LAZAR: No.

Q: Who ran each of these servicios from the US side? Did the Department of Agriculture run the agriculture servicio, etc.?

LAZAR: Well, the Rockefeller Fund had a Washington infrastructure. I don't know if the agriculture servicio reported to the Department of Agriculture but that is where the people came from by and large. The education people, the health people, they all came out of their counterpart agencies.

Q: But, these were all separate organizations?

LAZAR: Absolutely.

Q: There was no mission or oversight of any kind?

LAZAR: No. Loosely under the ambassador. So, when the time came to start pulling them all in there were some administrative/bureaucratic as well as legal problems.

Q: Yes, and you were involved in that process of integrating them all into a new organization and establishing mission structures and things of that sort?

LAZAR: That's right.

Q: You did that from the General Counsel's office. Did you stay on in that office much longer?

LAZAR: I had started clamoring to get overseas ever since my interests got peaked during the Laos investigation because it sounded like those people were having a lot of fun out there professionally. These were people who loved their work. Loved the countries they were living in and immersing themselves in those cultures in the best possible way. I wanted some of that, so started clamoring for an assignment.

Q: Did you get an assignment then?

Assignment to USAID/Peru - first lawyer in a Latin American program - 1962

LAZAR: I did. Not immediately, but eventually. In 1962 I went to Peru as the first lawyer in a Latin American aid program in some years. They had had them down there earlier and had gotten rid of them, something I suspect a lot of missions would like to do again today. There was a good deal of resistance.

Q: What was your function?

LAZAR: To advise the AID mission director and the people in the AID mission and provide them legal advise and counsel.

Q: On agreements and that sort of thing?

LAZAR: Yes, exactly. And also on the applicability of the Foreign Service Act and the Agency's regulations.

Q: How was the situation in Peru at that time?

LAZAR: Feudal would describe it. You had this oligarchic structure where political, economic, social and cultural power were all concentrated in this one single group. I remember seeing when I got there ads in the newspapers saying "For Sale - a hacienda, somewhere up in the mountains, with so many hectares, so many head of cattle, so many Indians." This all went with the hacienda. The Indians weren't actually serfs but were treated that way. They were free to leave, but that would have meant

leaving their communities which was pretty unthinkable at the time. It was just starting to get thinkable.

Two things were happening that fascinated me at that time and continue to do so. One of the two most revolutionary influences, I would say in Latin America, if not throughout the world, in the 1960s. One was the transistor radio and the other was the truck, big trucks that could handle those bad roads. This made it possible for people to go 30 miles, but over a mountain, into a town that had a bigger market than their local market and come back the same day. They could even go into one of the large cities, which would have been an impossible walk. Before, the whole world of these people was their unchanging villages and their valleys - which they seldom left. Now they could see that not everyone did things the way they did, that there were differences and changes.

I can imagine what some people must have thought when they found out that over there in that big, big city, which they may have heard of but never visited before, people have stuff in holes in their walls which keep out the cold wind. If you want to get rid of the smoke, you can open them. The holes in the traditional Andean houses were essentially smoke holes that let in some light. But they were cold.

I can imagine what would have been their reaction when they found out that in many of those people places eat three or four times a day instead of just once.

What happens when you start seeing those things? What happens when a kid's uncle or cousin gets a job as a truck driver and drives into the village and says, "Let me take the kid down to Lima. I'll be back in a few weeks and will bring him back?" That kid's life is never going to be the same, nor his parents, nor his community, when you get enough of it.

The transistor battery run radios were having the same effect - opening people to the notion that not everyone lived or believed as they did. The Maryknoll Order was working up in the mountains and passing out transistor radios which had a crystal which picked up just their radio station. Some of Fidel's people were up there too also passing out transistor radios with the crystal that picked up Radio Havana. They would also take the Maryknoll radios and change the crystal. Then the Maryknollers would run around and take the transistors back and change the crystals back to their crystals. So, there was that kind of thing going on too, although I don't remember any guerilla activity at the time up there.

Q: But, people were being opened up to the world.

LAZAR: Yes. Jumping ahead a little bit, Bolivia, which was my next post after Peru, had had its revolution in 1952, a wide spread revolution. If you traveled in the countryside in Peru and you came across an Indian or group of Indians, the men would take off their hats and look down at their feet and you could almost hear them thinking, "Please just go away. If you do anything it is not going to be good and is liable to be bad, so please just go away." If you talked to their cousins, in Bolivia, at the same time, the people who had had their revolution, they wouldn't take off their hats and might be a little surly. You might pick up, if you tried to interact with them, a little bit of a challenge, a little bit

of almost "I'm not going to take my hat off to you." The difference was very striking.

Q: What was the program like? What were we trying to do in our program at that time?

LAZAR: Trying first of all to pull those servicios in and get those programs under control and then to shape them into a more coherent program, although that came later. They still continued to run as unrelated programs, but now under a single mission director. It didn't start occurring to us until later that you could start to pull all of those things together so that they made overall contributions to the development of the country rather than operating them individually.

Q: Were the servicios doing any good?

LAZAR: Yes, they were.

Q: Which ones did they have in Peru at the time?

LAZAR: Transportation, education, health, and agriculture are the ones that I remember. They weren't as effective as they could have been. I don't think they were as effective as those programs eventually became. But the education servicio was doing teacher training and working on textbooks which were then printed in Mexico under the ARTAC (regional technical aids) program.

I remember one early insight into the government. We went up to talk to the Minister of Education about something and his desk was covered and piled a good four feet high with checks that he was signing. He apologized to us saying that he was just signing checks and we had his full attention. I couldn't imagine what all those checks were for. My colleague, who I had accompanied to that meeting and who was the head of our education program told me what those checks were. Those were the pay checks for all of the teachers in Peru. They all had to be countersigned by the minister. That is the old Spanish colonial way. The only way you can insure against theft, or, if you want to be cynical, assure that if there is any you are getting your piece of it, is by personally putting your hand on every piece of paper--sign every check, sign every voucher. That is still going on in some countries in Latin America today. I worked on an evaluation in Guatemala three years ago and this was still going on and causing fits with some AID programs because it just slowed everything down. So, that was quite an insight.

One point that you mention is outstanding characters that one has met. I was very lucky, the Mission Director down there was Bob Culbertson who was one of the agency's all stars. Bob had come out of public administration. He had worked with the Ford Foundation, I think, in Pakistan and had gotten picked up. I think Peru may have been his first mission, I am not sure. He was a marvelous guy to train under. He and I had kind of an understanding early on that in some respects this was a training assignment, not training as a lawyer, but helping to expose me to AID and what development was all about. This was a marvelous break. I had a series of these breaks along the line. I went from Bob Culbertson to Alex Firfer in Bolivia to Irv Tragen. These were three guys who in various ways were development geniuses. So, I had some good bosses and good training.

Q: Anything else about the program in Peru at that time?

LAZAR: There is one story which I think may be instructive or at any rate it may be amusing. After we had been there for awhile, the president was President Belaunde who represented a slight shift in power from the old oligarches to the upper middle class, which we supported and, therefore, we were anxious to support Belaunde. Belaunde, an architect, had a dream of a road going through the jungle which would open up the whole Amazon side of Peru. Development tends to be right along the coast in the lowlands and then in a few larger cities. The jungle area is still undeveloped. Well, he wanted to build a road right below the eastern most Andean spine which would then lead to feeder roads going down into the jungle areas. We thought at the time it was kind of a nutty idea. He had campaigned on it. The embassy wanted us to do it but we didn't want to do it. This was not the first time nor the last time that I have been involved in a situation where the embassy was dying to be able to use AID money to accomplish some rather short term political purposes. We finally went along to the extent of saying we would do a feasibility study. So, we went to President Belaunde who had worked with us before and said we had to do a feasibility study before we could approve anything. He came up with this famous saying, "If Christopher Columbus had come to you guys for money to finance his trips to the New World, he would still be waiting for the results of the feasibility study." This may have been true!

Anyway, there was a military coup because Belaunde, representing a very slight shift in power from the oligarches to the upper middle class, was still too revolutionary for the military, which represented the interests of the oligarchy.

Q: Did we do the feasibility study?

LAZAR: I don't remember whether we did or not, I think we may have. But, the military didn't want to see that road, so if we were undertaking it, they would have shut it down.

The military coup pretty well stopped the AID program in Peru at the time. This was in 1965 and was the Alliance for Progress era which started in 1964.

Q: Why don't we talk a little bit about the Alliance for Progress. What did you understand about its purpose, approach, etc.?

LAZAR: I understood its purpose, which I though very wise, to assure that people in Latin America were given an alternative to communism or to what they might see as the promise of communism through development programs that worked and actively improved their lives so they could see that improvement taking place. Through democratization, not only getting the benefits of development in an economics sense but getting the benefits of development in a political sense. Getting in and participating in power. It was a kind of a crusade for a lot of us. It was something we could really throw ourselves into and we did.

We noted that at Punta del Este, which is where this program was announced, there was an announcement that this would take place over a period of ten years. I didn't think much about that

then, but assumed that that was probably President Kennedy's estimate of the kind of time frame he thought the American people would be prepared to accept for such aid. I figured it would take longer and you would worry about the limitation later. It wasn't until many years later that I realized that Richard Goodwin, the speech writer who wrote the speech and was one of the people who actually put the program together, really believed it could be done in ten years. Ten years was a hard figure as far as he was concerned. I thought of that most recently when we put together the Dayton Accords for Bosnia. I couldn't help but wonder if Dick Holbrook really thought he could do this in a year or was it at that point somebody's idea of how far out in front of the American people you could get with an idea like that.

The Alliance was exciting and it excited not just us but a lot of the Latin Americans.

Q: Was it motivated to counter a communist threat? Was that a real threat?

LAZAR: I don't know if it was a real threat. There were indigenous guerrilla groups around, and of course, many more of them later on. In later years there were, as I said, some of Castro's people running around changing crystals on radios in an attempt to get people listening to Radio Havana. There was a certain amount of that activity.

You did have people like Juan Lechine in Bolivia, the head of the miners union, which had been very powerful in the revolution, making noises which sounded an awful lot like communism. Even the father of the revolution, who became president, Paz Estenssoro, in that revolutionary phase there was a lot of communist rhetoric running around. The reason we got into Bolivia and stayed in Bolivia well after we had a real foreign policy interest there I would say, was that President Eisenhower was a great believer in the theory that the way to stop the communists and the way to stop the communists in Bolivia and in general was to pour a lot of money in there for development. He'd seen it work in the Marshall Plan. Of course, the two situations were utterly different.

Q: Was there any particular strategy for the Alliance for Progress or was there just a general offer of assistance?

LAZAR: The overall strategy was development, as we knew it at the time. Increasing agricultural production, making education better and more accessible, roads, transportation, more and better public health. I don't remember the document talking much about public administration, although for a while there was a very heavy emphasis on that. There was the theory that you do this and it will lead to democratization. The word democracy was used in Punta del Este and was the focus of the exercise, democracy as opposed to communism.

Q: Were there any particular programmatic efforts in democracy that were part of this?

LAZAR: No, it was an assumption that improvement in these fields would lead to democracy. The assumption may have been more in the negative sense. You will maintain democracy, meaning you will fight off communism by doing these things.

Q: Were there any conditions associated with the Alliance for Progress?

LAZAR: Only in a very general way, not the way our aid came to be conditioned years later. There were conditions attached to projects, but they were project specific. The idea of conditioning country programs on overall steps being taken by the government, either in an economic sense or in a political sense, I had seen in Korea in 1962-3 when I did a TDY while in the General Counsel's office. They were conditioning our assistance on the government of Korea taking a certain number of specific macro economic steps.

Q: But, this was not the case with the Alliance for Progress? There were not specific requirements to become eligible for assistance?

LAZAR: No, not until years later, other than the government being democratic, which meant neither communist nor military. The Alliance for Progress did not like military governments.

Q: Were there many democratic governments at the time?

LAZAR: There were elected governments, which in Latin America at the time was not the same....

Q: Well, anything more on the Peru element?

LAZAR: Can't think of anything.

Q: Okay. What happened after your Peru assignment?

LAZAR: The advent of the military government plus that government's threatening to appropriate a US oil concession, La Brea/Parenas, which had become a big nationalist cause, caused Washington, with the ambassador's strong concurrence, to suspend the aid program. Meanwhile my job in Peru was regional. I was covering Bolivia and Ecuador and occasionally Chile, out of Lima. As the aid program cranked down in Peru I did more and more traveling, spending a lot of time in Bolivia and Ecuador.

Q: Any particular issues you were dealing with in those countries at that time?

LAZAR: One specific set of issues that took a lot of time was the business of closing down those servicios, which were still going on. Remember the bulk of the employees of those servicios were nationals. The co-chairman and the treasurer were Americans and there was American technical assistance, but the bulk of the employees had been government employees who had come over and joined the servicios. The way a number of those agreements had been written, it wasn't clear whose employees they were. Whether they continued to be employees of their own governments or had some how become employees of the United States. Of course, we always took the position that they were employees of their own governments, but some of those agreements weren't always that clear. Some of the employees had 20 or 25 years of service and being an employee of the United States would have meant considerably more in retirement than what they would likely get from their governments. So,

that was a big issue.

In one case they put our mission director in jail in Bolivia years later. It was still unresolved.

Q: How did you resolve the question of whose employees they were?

LAZAR: Any way we could. We sometimes got the government to simply say they were employees of the government. We refused to go to court on the issue on the basis of sovereign immunity. We didn't think we would get much of a fair shake on the issue in the local courts, so we negotiated and paid lump sums. It was handled different ways in different countries.

In a few countries those servicios were actually absorbed back into the parent ministries. In some of those cases the people who had been in the servicios actually took over the ministry and changed the administrative structure. They took the administration that they had found in the servicio and put it into effect in the ministries, which is the damnedest public administration impact you could imagine.

Q: Did that work?

LAZAR: Yes, it did in some cases. They had come out of the servicios inspired by what they saw and inspired by the way business was done. That was never the purpose of the servicios. It was pure serendipity!

Q: Never to build local capacity in government?

LAZAR: No, that was never foreseen as one of the long range results. I wish it had been. More could have been done.

Transferred to USAID/Bolivia as Assistant Director for Operations - 1964

Q: You then went to Bolivia. Were you the legal advisor again?

LAZAR: No. It was a funny kind of a job. They created the position of assistant director for operations, which later became a standard position. In Bolivia, under Alex Firfer, it was to be a sort of combination capital development officer/lawyer. It was more related to the capital development office. It was also attempting to integrate capital assistance and technical assistance. The General Counsel's office was a little leery at first because they didn't want me drafting loan agreements and then giving legal approval to loan agreements that I had drafted. But that worked out all right and I kept them very closely read in on everything I did. Much more closely than I had in Peru where I was given quite a broad mandate. So that worked.

This was the business of integrating capital and technical assistance which was another specific that came out of pulling in the servicios because there hadn't been a capital assistance program. We put a lot of money in Bolivia right after the revolution and that was largely into infrastructure, not just roads but schools and hospitals. You had the situation where that was going on on its track and the

servicios were doing their own thing. So you would get hospitals without trained personnel, hospital equipment that nobody knew how to run. At the same time there were these valiant training efforts in various areas which could have and which did eventually, profit from injections from capital assistance. This was another example of conditions imposed at the project level. There was a hospital or a system of clinics that we built, but the government had to undertake to staff them, to guarantee us that doctors would be there. Early on we forgot to ask the government to guarantee that there would also be supplies of medicine maintained in those clinics.

Q: The servicios were then discontinued and then became part of the health program?

LAZAR: Yes.

Q: Let's back up a bit. What was the situation in Bolivia when you arrived there in 1964?

LAZAR: The president was Paz Estenssoro. He had been president right after the revolution, served a couple of terms, was out of office for a term or two, by pre-arrangements, I think, among the revolutionaries. It was the same party, the MIR. The MIR to give you an example stood for Independent Revolutionary Movement. The rhetoric and indeed the theory had been there and moderated a good deal, although some of the old guard who were still there were still very suspicious of it.

It was a very poor country. There hadn't been many wealthy people in the country to start with. There had been the tin barons, four of them, and their families, and a few collaterally involved individuals, but they all fled the country when the revolution came. After the revolution all of the mining was nationalized. Petroleum was nationalized. The big haciendas were broken up and turned over to the people who had worked them in various ways. One problem we have always had in Bolivia, and it has continued as long as I have tracked it, was land reform which wasn't really land reform. It wasn't a matter of getting owners of these large properties involved and permit the properties to be broken up and transferred. The owners had left. They had abandoned those farms. I should say that the Bolivian revolution was violent. I don't know that there were a lot of deaths, but those that were were pretty agonizing deaths. The Quechua and Aymara Indians can be patient for a long, long, long time, but when they blow, as they did in Bolivia, you had people being hacked to death and things of that sort.

After the landowners left, the problem was doing something legal, legalizing the transfer of that property to farmers, not just to give them a nice piece of paper, but it was a basis for agricultural credit. That involved first of all a laying out of land plots, etc., then actually transferring title. I think that has happened or is happening, but we pushed and pushed and pushed and could never get that done. There were a lot of reasons for that. The primary reason is that aerial mapping was just coming in and was very expensive. Of course, Bolivia, as you know, is a country that is broken up geographically and there weren't many roads, so if you had to do surveys on the ground that was a hundred year job right there. So, one problem was just the cost of the effort. And then there were silly little things. We wanted to set up a system of title registration. Well, for title registration in Bolivia you again go back to colonial times. The deed had to be written out by hand by a notary

public. Our system would throw too many people out of work. Those people came from the families of congressmen and senators who would have had to pass that legislation.

Q: So, there was quite a bit of resistance to a new system.

LAZAR: Right. And, of course, doing it that way, even if we had been able to do aerial mapping, having every one of those transfers written out in long hand would take another hundred years. So, it just never came together.

Q: Were we providing assistance in that area?

LAZAR: We were trying to. We were trying to put together a program to do exactly that as a basis for a program of agricultural credit that could be run through the private banks. Getting loans from private banks for agricultural production anyway was a pretty new idea for them. They made real estate loans. They were the loans they knew. If you are going to make real estate loans to a farmer he has to have title to real estate. We did set up an agricultural development bank which was a government program and it did make crop loans, etc. But, as much as we wanted it to be, and we did try to find ways to do it, that was never a program that could be absorbed into the private sector. It was just a government program, and like government programs in Bolivia, it eventually ran down and down and down. Bolivia has gotten its act together today though, I'm glad to see.

Q: Were there other programs of particular note that you worked on?

LAZAR: Yes. One in particular was the community development program. Community development had been tried and been deemed by many people to be a great success in Pakistan. It had been tried and failed in many countries for a number of reasons.

Q: Do you recall the main features of the program?

LAZAR: The objective of the program was to shift power at least over local affairs to the local level. Now again despite the revolution Bolivia continued to be run on the old Spanish colonial model, all centralized. Everything came out of La Paz. Unlike Peru where there was no thought that programs ought to work out in the countryside, in Bolivia with this revolutionary sentiment, which was very strong in the highest reaches of the government, they did want the programs to work out in the countryside. They just couldn't do it administratively. They didn't have enough trained people. They didn't have the capacity to do that kind of planning. Our view, which Paz Estenssoro sort of went along with, was not try to do it that way at all. Why not train the people to carry out their own programs and have them draw on La Paz for resources. In other words, instead of going out there and telling them what they need, have them come into you and tell you what they need. That was the philosophy of the program. The program operated by training village facilitators. The training program was as much psychological, to get people steamed up to go back to the villages, as anything else. These were not village leaders, these were facilitators. These were people who knew where the buttons were you needed to push so that when the village elders decided what they wanted to do, the facilitators enabled that kind of a discussion. If that is what you have decided you want to do, then

we go to La Paz and talk to this guy, and that guy and this guy. That was the way it was set up.

Q: The linkage.

LAZAR: Yes. I realize I am bouncing back and forth, but I would like to go back to contrast the situation in Bolivia with the situation in Peru, which I have already done in one respect.

With respect to life in the communities there is a famous Peace Corps story and I know the guy it happened to. He was a Peace Corps volunteer who lived in a Peruvian village. He lived there until he got to know the people quite well and they trusted him and he would sit in at their request when the elders discussed their problems. Community structures in the Andes are pretty solid. At one point, when they all knew each other well enough, he asked them what did they really want. They were quite unanimous about that. They needed a school. Their answer was, they couldn't. His reaction was a typical American reaction of why don't you build a school. Well, the pride of this community and of the communities around, was a church down in the main city in the area which they had built over two generations. It was not a Gothic cathedral, but quite a pretty building. So, when they said they couldn't build a school he didn't quite understand. They had built the church. Well, they had to think about that. They finally came to the conclusion that what they meant when they said they couldn't build a school was that schools were built by the patron, by the owner of the hacienda. There hadn't been an owner of that particular hacienda which had been purchased by Cornell University some years earlier to use as a demonstration, experimental site in community development techniques, etc. What they meant was that they would be stepping out of their station. It was not that the owner should build it and we are not going to build it for him. It was that they would be usurping a prerogative of the owner. They would see that way if they were to build a school. Well, they talked about it, talked about it and talked about it. Eventually they built the school and then went down to Lima to try to get themselves a teacher and there is a long story about that.

You didn't have that in Bolivia. What you had in Bolivia was not a resistance to taking initiatives but the village councils had a tradition of the sorts of things they dealt with and education, health and roads weren't among the things they dealt with. Not that they belonged to somebody else, they had just never really focused on those issues.

Q: What did they deal with?

LAZAR: Land disputes. There is a highlands game all over the Andes. In the middle of the night you move stone markers. They would deal with things like a widow who really wasn't able to get the production off the land that was assigned to her. They didn't have individually owned land. The community owned the land and various people were given rights to farm particular parcels. What I am talking about is charity. People who for one reason or another couldn't feed themselves. Then the community had an obligation to do so.

Q: But they had no responsibility for health, education and agriculture?

LAZAR: No. Agriculture in a certain sense, but not in the sense of increasing production. It probably

never occurred to them that they could increase production. They weren't thinking in those terms. There weren't a lot of schools around. Medicine men or women took care of health matters. So, it took the facilitators a little while in these communities to get the people to assume in the first instance some kind of jurisdiction over...even thinking about going to La Paz to get the minister to put up a school. They had never done that. They had gone without schools unless there happened to be one there. If there was a school, the care and the feeding of the teacher was usually up to the community and that was another community function.

Anyway, that program started doing very well and was spreading very well.

Q: What was the AID role in it?

LAZAR: Financing it and training the facilitators and then trying to act as facilitators themselves. Sometimes some of these people from the country were quite shy about asking for an appointment with the minister or deputy minister, but if they had a gringo with them they felt a little better about it.

We had a Washington evaluation of that program after it had been running for about two and a half years. Jim Killan, how would you like to be evaluated by Jim Killan?

Q: He would be tough.

LAZAR: One of the best men who ever worked for AID, I hasten to say for the record and I mean that. It was a six-week evaluation. We didn't kid around back in those days. A special evaluation for the Administrator. I worked with Jim on it and boy did I learn a lot from that guy. In his report to the administrator he said of the community development program, "I have never believed in community development programs and I still don't believe in community development programs, but watch this one because if it can work anywhere it will work here the way these guys are doing it." Considering the source, that was quite a kudo.

Q: He recognized that it was working.

LAZAR: It was working and he just thought it was very well designed and was being carried out very well. What happened to it was another lesson that a lot of us learned along the way. It was working so well and spreading out so widely that it was taken over by the government.

Q: It wasn't a government program to start with?

LAZAR: Well, it was and it wasn't. It was sponsored by the government but it had its own life and independence....

Q: Was it under a particular ministry?

LAZAR: No, it was almost a ministry in itself, although I don't think it ever had a title because we

didn't want it to be seen as a competing ministry, we wanted it to be seen as a program of access to ministries. But, I think it was the Minister of Agriculture who had the wit to see the potential of the program and use it as a basis of political support, which meant, of course, that you got goodies by supporting the minister not by coming in with good ideas or demonstrating need for anything.

Q: Do you remember anything about the scale of the program when Killan and you evaluated it?

LAZAR: It was operating in hundreds of communities. It had really spread out. It started small as training always does and then the multiplier effect.

Q: What were the activities most commonly pursued by the villages?

LAZAR: Access roads more than anything else. They wanted to get their crops to market. Alex Firfer believed in roads and Bolivia is the place to believe in roads. There are four distinct areas. There is the highlands and La Paz, 13-14,000 ft. There is an intermediate area where the Inca had raised corn, which is about 8,000 ft. To the east there is a vast lowland area around the town of Santa Cruz that was sugar cane and citrus. Then in the north is a lowland jungle area which is very wet, almost tropical rain forest, where the rivers drained into the Amazon, which is used for cattle production, called the Beni. The only road of any consequence was a road from Cochabamba, an agricultural center in the intermediate area, to Santa Cruz which had been built by the Export-Import Bank and which was starting to crumble. There were some other roads. A road from La Paz that went south to the tin mining areas and the official capital, Sucre. La Paz is the administrative capital. So, Alex developed the strategy of linking these areas through a series of roads, which over the years we did. But, when those roads started going, then the communities wanted access to those roads. They wanted to be able to take their crops into Cochabamba and sell them. So, that was their number one request for programs.

Q: In which of these regions was the program most prominent or was it just throughout generally?

LAZAR: Everywhere except in the Beni. I think there were some in the Beni, but the communities there were so isolated and travel was so difficult. About the only way to get from the Beni anywhere else was to fly and very few people flew. Whereas you could get from Cochabamba to Santa Cruz. There was a road from Cochabamba to La Paz, not a very good road but a road. So, you could move around in those parts of the country. On the altaplano, the high area, you could walk, although it would mean long walks.

Q: So you were responsible for a lot of the road construction?

LAZAR: Yes. Rural access roads, almost do-it-yourself type.

Q: There was a lot of self help involved in the construction?

LAZAR: It was almost all self help. What they got from the government was maybe a grader or a front end loader if it was rocky. It was all hand labor. The government might have helped build some

drainage structures if they were needed, although the people were excellent stonemasons and could do a lot of that stuff themselves.

We did a lot of the big highways. Also did one going from the highlands all the way down into the lowland area. For years the Bolivian government tried to run various colonization programs, taking people off the altiplano, these 14,000 ft levels, where there wasn't much you could do. The crops were potatoes and the most important product they raised were sheep which were raised for the wool not the meat. Eating the sheep was a highly ceremonial and important occasion. Some of the communities were starting to get very crowded since people didn't leave and had five or six children. That meant that the plot of land you got to farm was smaller and smaller. There was no new land that could be opened up. The government was trying to get people to leave the highlands and to go down into the lowlands and establish farms down there.

Q: Did that work?

LAZAR: No. In the first place a lot of the people didn't know what they were getting into and they would go from 14,000 ft to almost sea level and tropical rain forest still wearing the clothes that were appropriate at 14,000 ft which were heavy wool. They didn't know anything about lowland agriculture and nobody made an effort to teach them. There weren't even rudimentary roads, or schools or hospitals. There had been some schools and hospitals on the altaplano, although not many. Somebody, I think it was Irv Tragen, came up with the idea of instead of you going into villages and you deciding who moves and then moving them, why not build a road that will let people self-select. You will have to give them some basic infrastructure down there. Then you can take some of the leaders down and show it to them. Here is the school, here is the hospital. Now, you go back and tell your people about it and if anybody wants to move down, first come, first served. People would move down and get the land. And we also saw that as a way of opening that whole area to agricultural production. We knew they would find the right crop, we didn't know what it would be. We were thinking oranges, pineapples, bananas. Well, after some experimentation, they did find the right crop for them. Unfortunately, it was coca! In a wry way, except for the crop they chose, it was an outstanding example of a successful kind of a program where the people self selected and there was necessary infrastructure. They pretty much did it themselves.

Anyway, going back to highways, they now have a complete link that connects all of those areas together. You obviously can go either way. So, stuff is moving around the country.

Q: That was mainly an AID initiative?

LAZAR: It started out as an AID initiative, but, of course, there were more roads than AID was going to finance. The Inter-American Development Bank and World Bank picked up a lot of it.

Q: But the basic initiative started with AID?

LAZAR: Yes.

Q: Any other programs of note?

LAZAR: Irv Tragen started an interesting program not of the scope of the programs we have been talking about, but it was an interesting program from another point of view. When he came in, which I think was 1965 or 1966, he saw a number of things. We had a program with farmers on the altaplano to improve the yield of their sheep. We had a program in the altaplano and in some of the bigger cities for helping people form cooperatives to weave wool. We had a marketing program to try to find market outlets for Bolivian projects in the United States. They all operated independently and he put them together into a coordinated program which started with technical assistance to the sheep farmer through a program of sale of wool, which they weren't doing at the time. When the Indians wanted wool for their own use they would grab a sheep and a piece of a broken bottle and cut the wool off the sheep from a given location, depending on what they wanted to make. If it was something for papa, it had to be the very finest wool which came off the sheep's back. For other things the wool was cut off the sheep stomach. They would never shear a sheep clean. We put them in this program with the University of Utah to teach them how to shear sheep and sell the wool. You talk about world view and assumptions they don't make that we assume they make--that kind of communication problem which I am sure is still happening all over the world today.

Q: Did the people adopt the new technology?

LAZAR: Yes. But, early on what Utah would do would be to send out a series of wagons which had the stuff the farmers needed. One of the wagons was like a Wells-Fargo wagon. It was loaded with goods that the campesinos used and were accustomed to buying. They didn't buy much but they bought machetes, kerosine and wicks, buttons, needles and sometimes threads. The object was that the government would pay them so much for wool according to the grading of the wool and here are samples that show the grades and we will agree on what grade this is. You can save the money or walk right over to that wagon and exchange it for any of those goods.

Well, I remember one old man who had taken a long time to be convinced to bring his sheep in. But his friends finally convinced him. He brought his eight or ten sheep in. They sheared the sheep and held the wool up against the sample and he agreed with the grade stated and they weighed it. They paid him and he put the money in his pocket and started walking away. "Wait a moment, take your sheep." It hadn't occurred to him that he got his sheep back, that all they wanted was the wool. The Indians had also long believed that if you took all the wool off a sheep it would die from the cold, which would be true if you just put them in the open fields at night. But, if you put them in a corral and keep them there at night for a couple of weeks until they started to get their wool back they did fine.

Anyway, the wool went from there down to a production cooperative where women were receiving technical assistance in dying and spinning. Also there was technical assistance, and this is very controversial, to the marketing program: to what sorts of articles would sell in the United States.? That got controversial because a lot of people said, "Wait a minute here. You are corrupting their traditional patterns." Of course, they had been dyers and weavers for generations and had their patterns. We never resolved that, but that, at the time, was more of a dispute among gringos. You

didn't hear much protest from the people that we were asking to change their traditional patterns.

There was also a llama and alpaca component of that. Now, Bolivia had long exported llama hair and particularly alpaca fur which as you know is very fine fur and very much in demand, but they had exported it raw. So, as part of the program they were doing more and more processing in-country and getting much better prices. They did almost all of their export to Britain and the Brits weren't very happy with us.

Anyway, that whole program hung together for a while, but nothing lasts forever in Bolivia. I don't know where it is today.

Another big program was a housing program, establishing a national saving and loans home finance. That is still going despite the fact it went bankrupt during a period ten or twelve years ago when Bolivia went through one of these inflationary crises. The saving and loans organization which owed its debt in dollars was wiped out. They got refunding, but I don't think from AID.

Q: But we provided technical assistance to set it up originally?

LAZAR: We provided the original funding and the technical assistance.

Q: Trained the staff and all of that?

LAZAR: Yes. That was all under the housing program. And the guy who ran that, he doesn't any more, but ran it for years and years and years, is a guy named Ernesto Wende, who is one of the most influential businessmen in Bolivia today. He and his wife had both worked for USAID at one point. His wife, Daisy, started a fashion business as part of that wool marketing program, which still exists and is enormously successful. You will see designs by Daisy in New York shows. I am not talking about simple peasant costumes, but some very sophisticated high fashion stuff.

Q: Any other major programs or events that occurred in Bolivia while you were there?

LAZAR: There was an insurgency or a threat of an insurgency on the average of every six months. I shouldn't say insurgency, I should say a military coup. Some of them took place, some of them didn't.

Q: Were we involved in public safety programsat all?

LAZAR: Yes. In fact, a Bolivian who was brought up through that program subsequently became, among other things, Ambassador to the United States - Julio Sanjines Goitea. I was lucky to be here in Washington during part of his incumbency. Parties at the Bolivian embassy tend to be a lot of fun. His number two man has held various ministerial posts in Bolivia since then.

Q: What were we trying to do with that?

LAZAR: I don't remember much about the public safety program.

Q: You must have dealt with the government quite a lot and with a lot of people. How did you find them to work with?

LAZAR: They were warm and very polite. I could say this about the Peruvians too. I also had a wonderful time working with the Peruvians, but they were a little more reserved. You are not really doing business with a Latin American as a friend until you have eaten dinner at his house. Then you are operating on a friendship basis. That happened a lot faster in Bolivia than it did in Peru. The Peruvians are just a little bit more reserved than the Bolivians are.

I will tell you a story which is boasting but I am very proud of it. Both Irv Tragen (Mission Director) and I always negotiated with the Bolivians in Spanish. We negotiated with the Bolivians the way they negotiated. Bolivian negotiating is something I have never seen anywhere else. You don't mention the specific topic of the negotiation. That is just giving your hand away. It also, and this is a particular aspect of something that is general in Latin America, if you get down to talking about a specific thing you may find that your interests really conflict and then you are face to face and in Latin society you don't get face to face. You stay away from conflict. So, you negotiate by not mentioning the thing you are negotiating, you talk around it. When you know what you are doing you don't have to describe that whole circle, you describe maybe eight-ten degrees of arc and that is enough. You do all the talking peripheral to the subject and you can reach agreements.

Q: On specific points?

LAZAR: Yes, you can. It used to drive the people who come down from Washington and participated in negotiations nuts, particularly if they were lawyers. There was a guy named Jerry Leverson, who was a lawyer, who would come down and sit next to me in a negotiating session and I would be translating for him. He would say, "We don't care about that; tell him we will give him that." And, I would say, "Shhhhh. Let's just talk." "Why are we talking about that?" "Jerry, shhhhhh." At one point we walked out of a meeting in which the Bolivians had agreed to what we wanted and I said, "Are you happy you got want you wanted?" He said, "I don't understand. What happened?" I said, "Don't worry about it, we got it."

Well, the story I was going tell is that at one point Irv and I got into a negotiation with the Minister of Economy who was our principal contact. The Minister of Finance, who was one of the old line revolutionaries who didn't much like us (gringos), was present. We went through this kind of negotiating process. We got what we wanted, although they got what they wanted. We put together a deal. Afterwards we went back to the minister's office and he said, "You guys out-negotiated us - and in the Bolivian manner." Irv and I felt very, very proud of that.

One of the things you learn working with Irv is extreme cultural sensitivity. For a guy who is hard of hearing, which he is, he is better attuned to what they are saying to him than anybody I have ever met. He hears overtones and nuances that are not there literally. But, again, that is the Latin way of speaking indirectly because speaking directly may get face involved.

Q: Is that common throughout Latin America?

LAZAR: I found it so. I even found it true in Brazil in a Portuguese setting. But, it creates some misunderstandings. For example, the use of the past subjective, which is contrary to fact. When you invite somebody to dinner you have to listen very carefully if they don't say, "Yes, I will be there." They will always say, "Yes." " No," would be impossibly rude. But then you have to hear what comes after that. It may be, "Yes, if I can," which is a conditional meaning, I may have a conflict and will let you know. It means exactly what it would mean in English. Or, they could use the past subjective, "If I were able to," which means "No." If you take that as a "Yes" you are going to have a couple of empty chairs. Again, that is just an example of: you don't say "no".

The head of the education program in Peru was Mike Chiapetta. Mike had been in Latin America for a while in USAID and was able to teach me a lot and did. One of the other examples of this not saying "no" and how you work in Latin America. Mike and I shared a secretary and at one point I asked her if she would come in and work on Saturday. I had to get some work done. She said, "Yes," but it was a funny yes and I pretty well knew it meant no. At that point, what do you do? I just let it go. Mike said, "You know she is not going to be there." I said, "I know. How do you handle that?" He said, "Next time don't ask her if she will come in, because she can't say no to you. Tell her you have to work on Saturday and ask her if she can find one of the secretary's in the office who is willing to come in and work. This elevates her making her your agent and it enables her to say she will come in. And if she says she will come in under those circumstances she will. In ultimate analysis it will enable her to come back to you and say she couldn't find anybody. Then at least you know where you are and haven't gotten face involved." I must say for some of us straight talking gringos some of that stuff can be infuriating or frustrating, but it is the kind of thing that enables you to work and know where you are in a given culture. I got so I kind of liked staying away from straight talk.

Q: Well, anything else on Bolivia at this point?

LAZAR: I cried when I left Bolivia.

Q: How long were you there?

LAZAR: Three years.

Q: Did you have much dealing with the embassy while you were there?

LAZAR: Oh, yes. That was the real reason I went to Bolivia. This is kind of funny. The ambassador had been newly appointed. He had been our economics counselor in Peru, Doug Henderson, a marvelous guy. He was really the one who asked for me, although he didn't ask me, himself. He asked through Alex Ferfer. The funny thing is one of my informal jobs, but a very important part of my job in Peru, was standing off Doug Henderson, who was an economic counselor and as such, as was often the case in those days, wanted to run the AID program, or get as close to it as he could. He had a lot of good ideas about things that AID could/should be doing. But some designed to accomplish short-term political objectives. In those cases, I usually managed to find that what he was

proposing was illegal. That was part of my job. So, I was quite surprised when Alex told me after I had been in Bolivia for a while that the guy who was really responsible for my being there was Doug Henderson. Doug and I always got along in Peru, but we weren't close. We were both very civil. So, the next time I managed to be with the ambassador alone, I mentioned that and asked if that was true. He said, "Yes." And I said, "Given our history in Peru, I find that strange. There was never any antagonism between us but I wouldn't have thought I was a guy you would like to have around." And Doug said, "What I need around is somebody who will tell me no when the answer is no. You don't find many of those in the embassy." A mark of a pretty good ambassador. Doug Henderson, by the way, did understand AID and the long term perspective. On his own, he saw things from that point of view.

At the embassy in Peru, Doug had some very good ideas, but Bob Culbertson was a very good salesman.

Q: Were the ideas ones that achieved immediate political effects or were they long term developmental ideas?

LAZAR: They were both. He understood the AID program but every once in a while he would get an idea for something with a short term impact. He did that too in Bolivia. We managed to come to a very good understanding. For example, the so-called "the road to the next election," which we built all over the world. The one that doesn't make the most sense in terms of any kind of a structured transportation plan, but which will get that district or districts for the guy we want to see win the election. We quickly came to an understanding with Ambassador Henderson that you don't have to actually build a road, you could go on a road that has already been built and send some graders and a couple of these machines that spray on asphalt, so that the president and the ambassador could cut a ribbon on the resurfacing of the five kilometers of road and keep the heavy highway money for where we thought the road really ought to go.

Q: What was your perspective about Washington/Latin American Burea, initiatives vis-a-vis these countries? Did you have much contact with them or feeling they were a little pushy on certain directions?

LAZAR: No, my feeling at the time, I don't know whether this was generally true, was that the Bureau was very supportive. We would tell them what we wanted to do and I guess there was some debate, which I didn't get into at the time. There was pretty much the sense in the LA Bureau, always was and continued to be, that the guys out in the field were the ones who know what needs to be done. The overall strategy was to bring development along as fast as we can but this can be different in every country which is why we have missions there and you support your local agents, which they did. It was that kind of thing and that continued when I was back in Washington. I always saw it that way.

Q: Looking back on it do you think our assistance, which may have done something good at the time, has it made any difference in a longer time perspective in Peru and Bolivia? Do you think the consequences of the program have made a significant development impact?

LAZAR: Yes, I think they did in both countries. You know those impacts get hard to trace because it is not just running out in a line, there are all kinds of stuff weaving in and out. The governments in both countries are better since being more efficient and more capable. In Peru's case you have ministries that think like government departments in terms of carrying out programs and do carry out programs.

I must say one of the most significant changes in Peru, and I am going against the philosophy of the Alliance for Progress and what a lot of people think today, is that the military assistance program had a real impact in the developmental sense. In the first place it brought about a sense of the need for promotion based on merit. It taught a sense of mission, rather than just existing, a sense of the need for objectives and goals. You plan against goals, and then you move to carry out those goals. From that point of view, the military coup d'etat that overthrew Belaunde, which had a lot of negative impact, also had a very positive impact on development in Peru because the military insisted that that's the way those ministries ought to be run. They really installed that whole sense of criteria. It wasn't even and it wasn't perfect, but that happened. What also happened was promotion on merit rather than on family, because the military is that kind of a structure. So, I think that impact was real and was important.

Bolivia is just a better run country today, although it has been sort of going up and down. But the government is there and permanent and is in pretty good shape today, although it had been considered a basket case for years and years. I was there four years ago, working on a project design with people in the government. The educational level of the people I was working with was much higher. I was working with university graduates. You didn't find many university graduates when I was in Bolivia in the mid-60s and if you did, you certainly didn't find them in government. You could actually talk to ministries, sitting down and making plans about how something was going to work and they knew what you were talking about and were quite capable of doing it. Their economic policies were in much better shape, including an austerity program that was not politically popular at the time.

And, you saw things out in the country you wouldn't have seen 25 years ago. You saw large numbers of bicycles. Everybody walking or riding a bike down the road has a transistor radio, which is terribly important for reasons noted earlier. They know what is going on around them. Did AID do that? We contributed to it.

Q: Set it in motion in a way.

LAZAR: Well, or worked with Peruvians or Bolivians who wanted these things to happen but didn't know how to do it. Still, it is always hard when you sit in meetings with a congressman or someone else and they ask you point to a single AID success. Well, but for the people in the country nothing would have happened, so you can't quite say this or that was an AID success. But the impact was there and it was real.

Q: So, how can you take credit for what happened?

LAZAR: Right. How can you take credit for what happened in Korea? Well, we can take some, but

the Koreans did it. And the Taiwanese did it. But, they did it with our help. And, I would say the same thing about Bolivia which today is ahead of Peru.

Q: Well, we have finished up on Peru and Bolivia and some general comments. What was your next assignment?

A year at the War College - 1967

LAZAR: My next assignment was the War College.

Q: What year was that?

LAZAR: That must have been 1967/68. That was a very interesting year. I understand they have modified that program considerably, which was no surprise. It was quite unstructured when I was there. The assigned reading was quite basic, including stuff like *Reader's Digest* articles. The discussions were very good. Access to materials was very good.

Q: What were they trying to convey in that course?

LAZAR: Well, I think an overall concept of national security and how all of us, military and civilians--the enrollment I think is still the same of 25 percent civilian and 25 percent from each of the services--fit into it.

Q: What did you get out of it? How did it benefit you? Were there any discussions of development issues?

LAZAR: Yes. The discussions were quite good and were quite open and there were a few points where I thought the development perspective was needed and I tried to provide it. The greatest value for me, I think, was getting a chance to sit and contemplate what I had been doing off my finger tips and the top of my head for those few years. I don't have to tell you when you are in the field you are moving so fast you almost don't have time to think about what you are doing. The chance to sit and reflect and try to put it all together was of value.

Q: Did you write a paper?

LAZAR: I wrote a couple.

Q: What were their subjects?

LAZAR: Development, but I don't remember the specifics.

Q: Did you take a trip?

LAZAR: Yes.

Q: Where did you go?

LAZAR: I went to the Far East. I had been to Korea before on a TDY early in my career, but we also went to Japan and Indonesia and Thailand.

The other value of the War College was meeting some people with whom I interacted later on in my career. Ambassador Steve Low was a classmate of mine. The year also kind of punched my ticket with the military, which in other later assignments, Panama, Vietnam, was extremely useful. You are considered to have some understanding of what they are about rather than being a civilian who doesn't know anything about their world at all. And, indeed I did learn something about their world.

Q: The course was mostly military and their orientation, I guess.

LAZAR: No, I wouldn't say mostly. Heavily, sure. But, how the military and diplomatic approaches fit together in the concept of national security. We, the civilians, saw it as more to acquaint our military colleagues with the civilian side of the business than the other way around. I never had a feeling that the civilians were being indoctrinated. I think it was an educational experience for all of us.

One example I give frequently. You don't really understand the Air Force until you talk to fighter pilots who always talk as though they are part of the airplane. It is quite astounding. They don't do it tongue-in-cheek at all. They talk about the system or the weapons platform, but they are part of it just as much as the things that make the ailerons move, etc. This was an important insight.

Anyway, that was a good year.

Q: Then you moved on to what?

New assignment in USAID/Panama - 1968

LAZAR: Then I moved on to Panama.

Q: What was the situation in Panama at that time?

LAZAR: When I got there, 1968, they were building up to an election and it looked like, and as it turned out, the election was won by a man name Arnulfo Arias. He had been elected president before and had been overthrown by a military coup which had been engineered by what is known in Panama as the Rabi Blanco, the White Tails, the elite. There were rumors that the same thing was going to happen. He did win the election. He was an odd, enigmatic man. He was very much on the outs with the in crowd. There was talk among the Rabi Blanco about Arias being a communist, which was nonsense. He didn't like the United States much and given our role in Panama you didn't have to be a communist to dislike the United States. What he was was a Panamanian patriot.

Q: What was the development situation in the country at that time?

LAZAR: Considerably better, of course, than in Peru and Bolivia. You didn't have a small elite sitting on top of a large underclass. The underclass in Peru and Bolivia was largely Indian. There are Indians in Panama, but not that many and they live pretty much on reservations, maintaining their own ways of life. They are not only allowed to do that, they are helped to do that. There are certain negatives about the reservation system, obviously, but there were no pressures to try to get them to assimilate. There were schools and hospitals, not great and not a lot of them, but they were there. A large part of the rest of Panama was middle class, so that was one marked difference. The middle class in Peru and Bolivia was very small.

There was a lot of entrepreneurial activity, both small business and the larger businesses, although the big businesses, like the Coke Cola Bottling Company, were in the hands of the Rabi Blanco. You had a lot of banking and insurance companies. Panama, as you know, is a "flag of convenience" country and insurance goes along with that and banking goes along with the insurance. This meant there were a lot of middle class jobs.

From an infrastructure point of view, Panama is a much smaller country than either Peru or Bolivia and the Panamanian highway is passable all the way through it, in fact, in pretty good shape all the way.

Q: What were our interests in Panama?

LAZAR: It was a pretty rounded program, health, education, agriculture. It seems to me we were getting out and just about out of the capital assistance business. We did schools and hospitals, but no big roads. We did some street repair or even street building in Panama City, itself. We were not entirely disinterested. The U.S. government considered it had a pretty big stake in how Panama ran in general and how Panama City and Colon ran as cities.

Q: Did short term political considerations pretty much dominate what you did with the program?

LAZAR: No. There was some of that, but outside the urban upkeep in Panama City, we were pretty free to develop and run long range programs. Both ambassadors that I worked for, Charles Adair and Bob Sayre, had a fair understanding of the longer term nature of development. Both of them were Latin American club members and within that group of Latin American ambassadors were former Latin American mission directors, who tended to stay in the Latin American area. As a consequence, over the years we trained a generation of ambassadors. They got to know about development and were less inclined to try to push the programming into short term directions. This was true of the ambassadors, but not necessarily true of others within the embassy.

Q: Were there any major issues that you had to deal with during that time?

LAZAR: Yes, there were. One of the them, and this did impinge on the AID program, was the thought in some quarters of the embassy that we had to watch the Panamanians very closely for indications that they were liable to go off and do things on their own, in terms of running their own country, that some people in the embassy didn't think were good ideas.

Q: Such as?

LAZAR: An extreme example, which probably wouldn't have been a good idea, but they were never serious about it, was printing their own money. In Panama the US dollar and coins circulate. This, obviously is a great advantage to us, putting them under some restraints. There had been talk from time to time, particularly from the nationalist side, of coining their own money. Well, this used to drive some of the people in the embassy nuts.

The Panamanian development strategy relied very heavily on projected income from the Canal and projected income from copper deposits which they had started to exploit. There is considerable copper in Panama. They were doing future projections, planning out based on assumed proceeds from the sale of that copper. That was a risky thing and they knew it was risky. You had the Minister of Finance, who had been an officer in, I think Chase Manhattan, and was a banker essentially. The minister of planning was an ABD (all but doctorate) from Chicago, a very, very bright guy, Nick Barletta, who later ran for and became president. He was my closest counterpart, although I worked with most of them. I had to kind of argue constantly with some people in the embassy that they were not kooks. They were sophisticated people. They were running risks, but it is there country after all. One of the guys I was arguing with in the embassy was a six-months economic whiz. That six-month economics course was pretty good, but it doesn't really get you to the level you get to going for a doctorate in economics at the University of Chicago. I eventually brought in an economist, an American friend of mine from Bolivia days, primarily so he could fight with this guy and give me arguments.

Q: Were there any projects that you found quite significant or effective?

LAZAR: Significant, yes, effective, no.

I was told before I went down that probably the single most important thing I could do in Panama was to work on public administration. There was a small public administration program. I tried to make public administration a cross cutting issue. They had been working it just in the traditional sense. I tried to make all of my division chiefs work with the public administration people in terms of what their ministries needed in public administration. That was only partially successful.

Q: What were some of the specific things you were trying to do in that program?

LAZAR: We were trying to get at organizational and management problems in the ministries. Now, the Panamanian government was a lot better than either the Bolivian or Peruvian governments in terms of functioning, but there were still a lot of hangovers from the Spanish colonial system. You still had ministers signing too many documents. You had a lot of payroll loading, which was political more than administration, but we tried to approach it as a public administration problem. Getting services out more effectively in all the ministries.

The division chiefs resisted that. The agriculture guy felt the agricultural ministry was his and he had important things to do working on specific crops and marketing, etc. and didn't want to be bothered

with this nonsense. So it was a constant effort to get them to talk to each other to say nothing of trying to integrate programs. What are farm kids being taught? Was the education program entirely based on the needs of urban students? Well, of course, it was. What about the rural kids? Trying to get that kind of thinking going.

Having learned from that experience with Irv Tragen of integrating that wool program, all those little projects, well, it makes sense on the micro level and makes sense on a macro level, if you can do it. But, anybody who is looking for very, very tough material, ought to seriously investigate the panels between various divisions in the USAID. Boy, they were hard to penetrate then and still are.

Q: They are compartmentalized.

LAZAR: Yes. They don't interact, they don't want to interact. They want to do their own thing, and this is still going on. I saw it in Africa two years ago, for example.

Q: This is within a mission you are talking about?

LAZAR: Yes. Anyway, very shortly after Arnulfo Arias took office there was a coup but the people who took over were not the old military, who had run things for the Rabi Blanco. They were two younger officers, I think a Lieutenant Colonel, and a Captain, of a definite more populist to left wing orientation. As it turns out, one was a populist and the other rather left of that. So, we shut down the program and kept it shut down.

Q: A State Department act of disapproval?

LAZAR: Yes.

Q: Did this action make its point? What were the consequences for the AID program?

LAZAR: The program shut down was temporary as it turned out, but at the time we didn't know what was going to happen or for how long. As far as I know, the embassy had no clear strategy to try to displace them. There was no possibility of a counter coup. These guys were senior officers in the National Guard. Panama doesn't have an army, it was a National Guard. Eventually they made an overture to us which came in through me. The Director of Planning, with whom I had worked, asked me to brief them on what the AID program was, what it had been doing and where I thought it ought to go. I talked to the ambassador about that and presumably he talked to Washington about it. We got a go. I went and talk to the two of them. The Lieutenant Colonel was Omar Torrijos and the captain was a guy named Boris Martinez. The meeting lasted about five hours and we talked about all kinds of things. What were their plans with respect to elections, or did they just expect to run the country? Talked a lot about development, about public administration. They talked quite a lot about corruption under the old government. They had quite a lot to talk about.

It was a very good talk. I went back and did a memcon of some length. One of the points in the memcon was that these two guys were a very unstable combination and made the prediction that

within six months there would only be one of them. If that one was Martinez, Torrijos would go out feet first. If it was Torrijos, Martinez would wind up pumping gas in Florida somewhere. As it happened it was Torrijos who emerged on top and Martinez wound up in Florida and I did hear, I swear, at some point that he did end up working at a gas station. I was being sort of allegorical, a prediction that he would end up alive but out of the country and not coming back. Anyhow it turned out that that memo of mine had gone all over Washington so my stock kind of went up.

I argued that Torrijos did have some questionable people around him, politically. He wasn't a communist or any kind of ideologue at all. He didn't think that way. He was a populist. His father had been a rural school teacher and he had gone into the guard for the same reason people of that background go into the military all over Latin America; it is the one way you could get yourself outside that class chain and work up the ladder. The guard itself was pretty corrupt, shakedowns, etc.

Q: What happened to the program in that context?

LAZAR: When we started planning for opening up, we did a big public administration program, pitching all the rest of the activities around that. It was a program of $12 million in technical assistance, a large program. We insisted, as a show of faith, not only that the Panamanians put up an equal amount of money, but that their $12 million included some of the dollar costs of the program. The Minister of Finance and Minister of Planning, were very enthusiastic and thought it was the right program at the right time. They pushed it and sold it to Torrijos. So, we went ahead with it. I left the country about eight or nine months after that got started, so it was still in the start up phase. At that point the Minister of Finance was sent to Washington as ambassador. I am trying to think what happened to the Minister of Planning; I think he went to the World Bank, although that may have been later. Consequently the program collapsed.

Q: What was the program's main thrust? What were you hoping to accomplish?

LAZAR: What I had always hoped to accomplish, to put the Panamanian structures on a much more up-to-date, efficient footing. Get them into the real world of public administration and completely off that Spanish colonial system.

Q: So it covered all aspects of public administration?

LAZAR: Yes. And rational personnel planning to get rid of the payroll padding.

Q: So, the program never went ahead?

LAZAR: No. It never got out of the start up stage. In later years I had contact with both the Minister of Finance and Minister of Planning and I asked if the decision to send the finance minister to Washington was an independent thing or was that done to get rid of the public administration program, which was not popular with a number of ministers? They weren't used to being told how to run their ministries or advised how to run their administrative procedures. They didn't want to be bothered

with it or threatened by it.

Q: It interfered with their sovereignty.

LAZAR: Right. In the case of the ambassador, he said he didn't think so. He had worked for Chase Manhattan in the United States and knew his way around. It was just that Torrijos wanted him in Washington. Nick Barletta, the planning minister, was quite young and was getting a lot of pressure from a lot of the ministers who were older and very much resented this kid who had some control over them through the Planning Office. The Planning Office got a lot of its clout from the fact that that was the office that we worked with. You would have to know in Panama, this is true all through Central America, the United States is deemed to be behind whatever is happening. We were perceived as running those countries. It was not always a misperception. The mindset of the economic guy I kept arguing with at the embassy was frankly colonial. That is the word for it. The fact that Nick was our closest plug in gave him a lot of clout. Although we worked with the other substantive ministers too, the money came in through the Planning Office.

Q: Do you think our program made much of a difference in the country while you were there?

LAZAR: That is much harder to say in Panama than in Peru or Bolivia. Panama is so Americanized that you never really had the mindset problems that you run into in other countries, particularly in the Andes countries, of getting the bulk of the population to realize that change is possible and that change is not necessarily a threat. You didn't have the experience such as I described in the Andes of people who had lived in a small, closed in area all their life and had never gotten out of it. The Panamanians traveled around quite a bit. Even small farmers from the interior get into Panama City. And the Panamanians are very sentimental about what they call the interior, meaning the country outside of Panama City, so they tend to go back home to their small rural towns for family events, birthdays, holidays, etc. So there is a lot of mixing. And added to that the rub off from our very large presence there means that they were seeing things very much in a 20th century way as opposed to a 17th century way.

One of the things AID programs do and need to do is get people to see things in different ways. You do that in a lot of ways. Capital assistance can have that effect, a road, for example, a school system. You wouldn't have seen that in Panama because the mindset was already there. We put a lot of money in Panama on a per capita basis. Did you know Jack Heller? Well, he was head of Latin America Development Planning at one point. Jack and I were old friends. I was up for a program review. Jack asked me how I could justify the per capita expenditure in Panama? I said in effect, "Knock it off Jack, the ambassador has already taken care of that with the Secretary of State. What we are talking about is how we spend it."

Q: What level are we talking about roughly?

LAZAR: I don't have a very good memory for figures. Sixty, seventy million dollars a year.

Q: That is substantial.

LAZAR: Yes, it was one of the biggest programs in Latin America for one of the smallest countries.

Q: What did you feel was the impact of all this, it must have had some effect on the country?

LAZAR: Oh, I am sure it did. There are marketing systems in place now that weren't there. We did teach the agriculture people to think marketing. For example, the Minister of Agriculture, who was not a farmer and didn't know anything about agriculture, talked to me at one point about the need for an onion dryer in a particular community because what was happening was that all their onions would come out of the ground at one point and the price would go low. They had no way of storing their onions and had to sell them for whatever price they could get. The intermediaries, who you know are sharks, are the ones who make all the money in every product all over the world. That notion turns out to be nonsense. Anyway, we sat down and talked to him about what happens after the onions are dried. He said drying them would take care of all the problems and they could store their onions. And sell them to whom, the same sharks? And, by the way, those sharks do move stuff to market, what is the cost structure like? Are they really putting all that money into their pockets, or are their costs high? If their costs are high, maybe there is some ways of lowering their costs so that the farmers can get a better break and the people in the cities can get a better break.

Going back to Bolivia for a moment, we brought Michigan State to do a marketing study on a couple of specific products coming from a lowland production area up to La Paz. Of course, the differential of what the farmers got and what the consumer paid...that by the way is taking a product over a distance of maybe 160 miles on a road almost straight up from almost sea level to 14,000 ft., in fact they had to come over a pass that was about 17,000 ft, on bad roads and antiquated trucks. The study discovered what you would expect to discover, and we keep rediscovering all over the world, the costs are murderous. It just cost an awful lot of money. One answer to that was to widen and pave that road, which we were going to do anyway.

We did the same kind of study in Panama starting with those onions. There was a target of opportunity and we grabbed it and helped them develop a more efficient marketing structure. Then we spread that from onions to other products. There was an impact.

Q: Were there other areas where we had an impact that you were aware of?

LAZAR: I haven't been back to Panama as much as I have to Peru and Bolivia and change is harder to see. In Bolivia I can go back to the area on top of the rim around La Paz, which sits in a canyon. There was always a little town up there of houses that were typical of that altitude, adobe, straw roofs, no glass in the windows, just smoke holes. Today, that city, which is called El Alto, must have near the same population as La Paz. It has tiled roofs, glass in the windows and lots of bicycles and cars. Did we do that? We did some of it, but unweaving the entire process would be difficult.

The same thing is true in Panama, except that Panama started much further ahead. I would suppose that the small farmers in the countryside still live in straw shacks. It is, after all, tropical and that is a pretty cheap housing solution. The palms are there and thatching doesn't take that much time. So, I don't know. I can't really say we did this, we did that.

Q: In the education and health areas?

LAZAR: Yes, health. Thank you for reminding me of that. We started a program to wipe out a particular childhood disease and did. Don't remember which one it was, it may have been measles. But, that program worked.

Q: An immunization program?

LAZAR: Yes. I particularly like the Minister of Health. He was a pediatrician and very interested in children and their health and very much opposed to anything that got in the way. He was also a darling man, one of the sweetest people I have ever met. We worked very well together.

Q: Where did you go after Panama?

Assignment to Vietnam: Director of CORDS Military Region I - 1970

LAZAR: The inevitable, Vietnam, in 1970.

Q: What was your position there?

LAZAR: I was the Director of CORDS Military Region I, which was the northern five provinces.

Q: What did that involve?

LAZAR: Everything. CORDS was a structure that we put together in Vietnam to bring all civilian operations under one centralized authority. Among other things that included the training of regional and territorial forces, paramilitary groups, which the army didn't want to have anything to do with.

Q: What were the conditions in the area that you were responsible for?

LAZAR: Well, there was a war going on. This has nothing to do with anything, but I must tell you this story. One of the first guys that wanted to see me when I got to Vietnam was the head of the public safety program who was in charge of self-defense measures at our compound in Da Nang. The compound in Da Nang was called the Alamo. There were a couple of things I considered a little more important at the moment, as we were not under actual threat, than getting people to cooperate in this endeavor, so I put him off for a while. But, he was really insistant, so I finally had a meeting with him. His gripe was that he couldn't get people to participate in self-defense compound drills with assigned people to positions and assign weapons to them. Could I think of some way to accomplish this? Couldn't I just tell people that they had to do this? I said, "The first thing we have to do is change the name of the compound. You are not going to get many people interested in defending the Alamo." Jokes are wasted on public safety officials. It seemed pretty obvious to me.

Another funny experience I had happened the first morning I was there. I had flown across the United

States and the Pacific non-stop, except for a one hour layover in Tokyo, down to Saigon, getting in about 9:00 o'clock in the morning local time, right into a series of all day briefings and then up to Da Nang where I met some members of my staff, etc. I went to bed and got up the next morning early because the day started with a briefing with the commanding general. I was still pretty blurred from that whole trip and wasn't quite sure where I was. I walked over and opened the heavy grenade curtains we kept across the windows and looked out and saw all these people in black pajamas. I wasn't quite sure where I was and finally focused on the one thing I recognized which was a Panamanian flag. Da Nang was a port and there was a ship in port. It took me about 30 seconds to get all that in focus and realize where I was and why the Panamanian flag was there. That Panamanian flag nearly saved my life. It was the one piece of reality I could get a grip on while I figured out what the hell else was going on around me.

Q: What kind of activities were you having to work on?

LAZAR: Everything. Despite the briefings in Washington, I wasn't really aware of what the hell the job involved. I sort of found out the first morning at the commanding general's briefing. Some of our military had been involved in an accident and there were some civilian injuries. The commanding general turned to me and said, "Are your people up there?" I said, "I don't know, should they be?" My deputy, said, "Yes, Sir, we have some public safety people up there." The job was gauleiter in a word. We paralleled the civilian, Vietnamese government from the district level up to the provincial level and all the way up to Saigon.

Q: How many people were under your direction?

LAZAR: When I first got there 1,100, in five provinces.

Q: What kind of people were they?

LAZAR: Four of the five provincial representatives, my next echelon down, and the majority of the district representatives, were military. Their counterparts were all military. The government was run by the military. We told them what to do, if they weren't already doing it.

Q: What kinds of things were you telling them to do?

LAZAR: Check and see that their village headmen slept in the village at night, for example. Many of them didn't because it was insecure. They were responsible for running the various programs that we were pushing.

Q: What kind of development programs?

LAZAR: Public health, agriculture and some public administration. I had a public administration guy on my staff. We really couldn't do much of anything because there was too much disruption. We wanted to give the Vietnamese people the notion that the region was pacified and that life was going to go on as it had always gone on, peace was here and the enemy was being kept away. Well, that was

bullshit and they knew it was bullshit. Besides they thought they were smarter than we were and they were probably right. They certainly knew the situation on the ground better then we ever did. One of the most famous sayings to come out Vietnam was from John Paul Vann, who had been a colonel in the army and gotten into trouble, went back to Vietnam as a civilian, and had the equivalent of my job down in IV CORPS, in the south of the country, which had serious military problems. Our military problems at the time were not that bad, there were incursions, but mostly we had a pretty secure perimeter. Anyway, at a once a month Commanding General's staff meeting in Saigon, General Creighton Abrams made the statement that we really ought to be able to do things better having been here for 20 years. John Paul Vann jumped up out of the audience and said, "Excuse me, General, but no we haven't, we have been here one year twenty times." And that was about right. We never seemed to learn and the Vietnamese knew that.

Q: We never understood the situation; what was going on?

LAZAR: No. Some people did. John Paul Vann may have better than most people. But, most of our people never did. They wanted to do their 18 months and get out of there and I don't much blame them for that, particularly the AID people who were going through the motions. They would have loved it had they been able to have some serious impact.

Q: Do you think anything resulted from our development work?

LAZAR: I can't really say. I haven't been back. I didn't see anything going on when I was there that I thought would have any positive impact.

Q: We were just holding the ground and there to provide services?

LAZAR: Trying to relate to the Vietnamese in a positive way. Some of it may have rubbed off.

Q: You thought of it as a pretty bad experience?

LAZAR: Yes, it was my only bad experience in AID. The rest of it I loved.

Q: What was the core of your unhappiness?

LAZAR: The futility and the killing. As you may have gathered, in Peru, Bolivia and Panama, I had a lot of friends among the people I worked with. I related very closely to them. I understood them and they understood me. I spoke the language, after all, and, if I may say so, I spoke it well. I knew it enough to pick up nuances, not just literal meanings. It was really a collaborative effort, working with people and sharing common goals with them. Even though it was their country, I wanted to see those programs work, to see things happen. So you had this sense of really working together. In Vietnam we were there simply to make sure people did what they were told. By and large they did, because if a District Chief didn't do what his American advisor "suggested" that he do, the American advisor would get on the phone to the Provincial Rep who would talk to the Provincial Chief and the Provincial Chief would send a message back down to the District Chief to do what he is told. Or it

came up to me. Or to Saigon, if necessary. But sooner or later, that District Chief was told what to do.

Q: Do you remember what they were being told to do by and large?

LAZAR: Well, for example, we had this HESS rating system. Have you ever run into that?

Q: No.

LAZAR: It was a list of ninety four items that we were to report on every week or month. How many village headmen sleep in their village? Has production of rice increased? It was an attempt to measure pacification, to reduce pacification to a set of numbers. Every month the information would come up through the villages to the districts to the provinces to me and I would send them on to Saigon and Saigon would use them to tell the President and the press the numbers were up and pacification was working. Pure bullshit.

Q: Did they tend to inflate the numbers?

LAZAR: No, it just didn't mean anything. I suppose there was a certain amount of lying, but that wasn't the point. The point was the Vietnamese became masters of what I came to call substantial non-substantive compliance. They would check off all those items and still find ways to run things the way they wanted to run them. I expressed myself a couple of times, but nobody wanted to hear that. Those numbers looked good. It was something like dealing with economists, only worse. You have all those numbers and they must mean something!

Q: After Vietnam where were you assigned?

Returned to Washington to the Inter-American Foundation - 1971

LAZAR: I came back to Washington and went to work for the Inter-American Foundation.

Q: How did that come about?

LAZAR: Irv Tragen was over there as the Deputy Director and he set it up. I came back and had lunch with Irv and we talked. The Inter-American Foundation Affairs Subcommittee of the Foreign Affairs Committee and then he became chairman of the whole committee. He was a great friend of AID and of the Latin American program. He was from Miami so it was a natural interest. He was quite a marvelous guy. I had gotten to know him in Peru. His brother was our admin officer there and Dante came down fairly often. He, Bob Culbertson and I, and several other people, and his administrative assistant who came down from time to time, used to talk a lot about development. Those talks went on over the years. A lot of us became convinced that the reason why trickle down wasn't trickling down, which is a silly way to put it because that isn't what was happening, why the economic assistance wasn't having the impact that we wanted it to have was that we were still running on a Marshall Plan model. You put the capital assistance in and do the infrastructure and all kinds of

good things will flow from that automatically. Well, that was true when the job was rebuilding Europe, of course. But the job was not rebuilding Peru or Bolivia. You were starting further behind than that. Europe had the trained manpower, the institutions - both governmental and private sector - and the know-how. Latin America, in general (in the 1960s) had none of that.

Little by little the notion occurred to me as it did to a lot of people that talking about economic development is like talking about the health of the left ventricle. You can do it in a theoretical way but, in the real world, you are dealing with the whole body and you have to be concerned about how the whole body functions. So you have cultural development, social development, political development and probably a few other things too, in addition to economic development, and you have to be concerned with how they all work together. The way they worked in Peru was you could put money into that economy anywhere you wanted and you have the Hoover (vacuum cleaner) effect, it was sucked right back up to the top because that was the way the economy was structured and the way society and politics were structured.

At one point we started talking, this was when I was in Panama, about social and civic development, Title IX (Political Development). Title IX came up in a lot of conversations between Dante Fascell and another congressman who later was the mayor of Minneapolis and a few other people in Congress, Bob Culbertson and later on Irv Tragen and me. That was an attempt to broaden the look at development, to look at all of its dimensions, rather than just in the unilateral economic dimension. You may recall that when that was set up a position was created at the level of Assistant Secretary of State to give that program bite. Bob Culbertson was named to that job.

The Inter-American Foundation grew out of that. There were difficulties even with the amount of clout that Bob had and his ingenuity. There were difficulties getting the missions to pay attention. Our notion was that Title IX should be a kind of cross cutting program. However, the missions treated the gender issues the same way they later treated environment. If you are under a lot of pressure, you set up a Title IX program over there in the corner and put some money in it, a program which has no relation to anything else you are doing. You just do it. Someone wants to know what you are doing in Title IX, and you indicate your Title IX office, three offices down the hall. So, there were some "Title IX" projects, but they were isolated, never integrated into Country Programs as we had hoped.

So, then I think Dante stepped back and said, "Maybe if we find out in a research kind of way what happens in successful development programs, we will be able to provide information to AID, the World Bank and the IDB. Find out what the programs work and which don't work and why." That was the genesis of the Inter-American Foundation. The director was an ex-Peace Corps representative and the Foundation was staffed pretty well with Peace Corps people. They weren't at all interested in finding out why things worked. They wanted their own little aid program and they wanted to run it "the right way," which meant, largely, don't tell people what to do. Just get people with good ideas, get them the money and let them go ahead and do it.

Irv and I were pretty unpopular because we could in a number of instances point to similar projects that had been tried in the past and had failed. We asked: "Is that what you want to lead these people into in the guise of 'not telling them what to do'?"

Most of all, I made the dreadful mistake of suggesting that we call the study part of the program an "evaluation." Oh, boy! Had there been a tendency to do the study in the first place, that killed it because they saw evaluation as seeing if people were doing what they were supposed to be doing. We couldn't talk them out of that. Couldn't convince them that finding out why programs/projects worked or didn't work was really why the institution was set up. You could point to it in the law. They didn't want any part of it. They had a woman who did some of it for some time, understanding what we were talking about and trying to implement it. But, she could never really get anything going. And so still the way the organization writes up its projects, in terms of looking back, is to write them up as little models of precious things they have done, but with no sense of why they worked (or any hint of those that didn't).

But, I enjoyed that experience very much.

Q: How long were you there?

LAZAR: About two years.

It was a tour of duty.

Q: This had already been established?

LAZAR: It had been running for a little less than a year.

Q: What kind of projects was it supporting?

LAZAR: Every kind of small project you could think of having. You have seen them all over the world. The fisherman coop wants a 40 horse power outboard motor. The women's coop needs sewing machines. That sort of things, all very small projects.

Q: Do you think that was an effective development tool?

LAZAR: No, I can't say that it was. The essential part - the learning - never took place, the experimental side which was suppose to find out what was going on--why some things worked and why some things didn't. And, small projects may make a lot of people happy and they may make life better at least temporarily for the people involved in that project at that time, but in order for small projects to have a real development impact, you would have to have some kind of multiplier effect. Otherwise, there simply isn't enough money in the world to carry out far-reaching development programs through small projects. As the Foundation was conceptualized, the multiplier would have come through "Lessons Learned" to be applied by the large donors.

Q: But the African Development Foundation was set up with the same idea.

LAZAR: It was an extension.

Q: But, the question is there seems to be a passion for that sort of thing among some people in congress, etc. with the view that AID couldn't do that sort of thing. Is that true?

LAZAR: Of course it couldn't. AID didn't have the manpower or the money to carry out that kind of retail program. The Peace Corps did and the development foundations did. If you are a congressman and you want to see some happy, smiling faces, come on up and we will kick some food off the back of some trucks and you will see a lot of happy smiling faces, but don't come back tomorrow, you won't see them anymore. When that outboard engine breaks down and they don't know how to fix it, or they need a spare part and they haven't got the money for the spare part, or there aren't any spare parts in the country, that is the end of that experience.

Q: Anything more on the institute experience? You found that a useful experience?

LAZAR: Yes in many ways. Little projects are fun and when they work, even if only for the time being, they feel productive. But, I was ready to leave when my time was up.

Q: You imply that that kind of program didn't have much lasting effect.

LAZAR: That small project approach didn't have much lasting effect. The Foundation later did get into some things which I think have a more lasting effect. A series of scholarship, people-to-people exchanges, which are still going on. That is valuable.

Q: Changing attitudes?

LAZAR: Yes, and backing people in some Latin American institutions with some of the intellectual resources of our universities and academic centers. That is not so much changing attitudes, as it is a matter of supporting people who have a clear conception of where their countries ought to be going.

Q: People who are in a position to make systemic changes?

LAZAR: Or at least to teach the people who are in a position to make systemic changes.

Q: So, you left the institute and then what happened?

Returned to USAID as Country Director/Central America - 1973

LAZAR: I was then given the job of Country Director for Central America, in Washington. The way that ARA and the Latin American Bureau of AID were set up was different than in any of the other bureaus. We had what we called a back-to-back set-up in which AID officers and State officers, in the country offices and at the desk level, worked in the same offices, sharing cables, information, staff meetings. If the Country Director was a State officer, the deputy director was an AID officer and the other way around. I think this was set up under the Alliance for Progress; I had taken it for granted as it was what I had always known. When it was set up there were four offices in which the director was, by tradition, AID. These were where we had our biggest AID programs--the office of Andean

affairs, the office of Central America affairs, and I'm not sure what the other two were. I think Argentina was an office all by itself, and if so, that would have been another one. By the time I got in, Central America was the only one of the offices that still had an office director who was AID. That was a pretty interesting job. I learned a lot about the diplomatic side of the business.

My deputy for most of that time, who was a guy named Larry Pezzullo, who had been the deputy political officer in Bolivia when I was there and who I had known and liked in Bolivia. Years later, in Nicaragua, he turned out to be one of the best ambassadors I think we ever put in the field until he got knifed by Jessie Helms. But, I enjoyed working with Larry and he was a very good teacher. It is hard to be a good teacher for your boss, but he was. Watching him go over cables, change cables and nuance cables, taught me something about State Department reporting, both what an art form it is and also, and I really never thought about this, that that is what political officers and economic officers do. They report. That had never occurred to me. I mean, I knew they wrote reports, but I didn't know that was their overwhelmingly large function.

Q: How did you find this back-to-back arrangement working?

LAZAR: It was a very good way to operate.

Q: Why?

LAZAR: Because U.S. foreign policy has to be an integrative business. It all has to come together. Trying to do your political thing over here and your development thing over there gets you into the atmosphere of "those AID people will not pay any attention to US foreign policy," (US foreign policy being, of course, what the State side is interested in doing at any particular time.) Or the "pin-stripes" refuse to look at any consequences beyond year two. The tension is counter-productive. The "back-to-back" approach avoids that kind of thing. The political and economic types have to understand the AID side of the business and the AID types have to understand the political, economic and commercial sides of the business.

Q: But, doesn't that lead AID to be a tool of what we call the short term political aid impulse?

LAZAR: No, it mitigates against it because the State side people understand what it is you are trying to do and what the constraints are that you are working under. I won't say there are never any pressures to help out here even if a short term project. Some times such projects do help out and it might not be your number one priority, but it could be your number two priority and if you can get it too, you make it your number one priority. That doesn't bother me, although a project that has no priority at all does.

The other reason it worked was that as AID officers we had our own channels of communication. I reported to an assistant secretary and some damn good ones, but in a couple of cases, and I don't really remember what they were, although two of them were in Nicaragua, there was some pressure to do some things that might have been handy in the short run but made no sense in the long run. I was able to go up the AID side and get to the AID administrator (who if necessary, could talk not only to the

Secretary of State, he could talk to the President). That is what we will be losing if this proposed consolidation takes effect. The mere fact that that tool, if you will, existed made its use very, very infrequent. You didn't have to use it. But, if I felt something was the most foolish thing I had heard of in a long time and I didn't think we should be spending AID money on that, thiat stick was big enough so that you could speak softly.

The consolidation didn't take effect, but the ability of the AID Administrator to communicate with the President was eliminated in 1998.

Q: What were the programs you were dealing with at that time?

LAZAR: The Nicaraguan earthquake happened shortly after I took over that job and that pretty much determined what we were doing in Nicaragua from then on.

Q: What was your role in that situation?

LAZAR: Well, we immediately set up a task force and I ran the task force. We had a group of people working on the task force who knew what they were doing both in the emergency stage and in the rebuilding stage. We have had experience with stuff like that all over the world and my job there was just to facilitate what they were doing and be sure that they got the backup that they needed.

Q: Any particular issues in conjunction with that?

LAZAR: Yes, the one thing I did do was to keep people from putting vast amounts of money in businesses that Samoza tried to set up, his cement plant and brick plant, and White Star Transportation Company, which was called that because he used trucks we had given him under the military assistance program. He tried to set up a trucking company and get AID money for that kind of thing. Well, I oversaw that.

In El Salvador I tried to get people to see what was going to happen if we didn't get serious about structural change there. I sort of patted myself on the back with that Panama prediction earlier. But, anyone and everyone who knew El Salvador could see what was coming, it was not a prediction that required any particular knowledge of the local scene. Unfortunately, anyone and everyone didn't include most of the US embassy.

Q: What were you seeing that foretold what was coming?

LAZAR: The extreme division was getting worse between the elite, the people who had the social, political and economic and cultural control of the country and the rest of the people. The disparity was so great between how they lived and how the rest of the people in the country lived and the rest of the people in the country knew it.

El Salvador is a very small country. On my first orientation trip they had me taken up in a helicopter to show me the country. The first thing the pilot did was to fly me up to the northern border, hover

over the customs house, and point down not quite to the horizon to a structure which was the customs house at the southern border. From 7 or 8 thousand feet you can sit at the northern edge of the country and see the southern edge.

The Salvadoran elite was the blindest I had ever seen. One serious health problem, serious in terms of numbers it affected, was poisoning from crop spraying. They grow a lot of cotton. They would dust those crops and wouldn't get workers out of the fields. If there were houses there, they wouldn't cut off the sprays or avoid them. Children were dying and people were going into hospitals. I talked to Salvadoreans about it saying there were ways of preventing that. They were utterly uninterested. It didn't make any difference and wasn't worth the effort to discuss it, much less doing anything about it. That kind of attitude. It doesn't take a Jeremiah to know where that is going to lead and it did because you did have some people in that group or the group that worked for them that did have some social conscience and they were going out of their minds. These were the people who were telling me what was going on. Well, those people went up into the mountains. Those weren't all peasants, the FMLN. As is typical in Latin America they were the children of the elite or the sub-elite.

Funny things keep happening and I was thinking of specific programs in El Salvador. One was in working with the farmers. The farmers were into monoculture. They would be growing either corn or beans or gourds and we had just discovered recently that if you put combinations of plants together that all three of the plants do better and furthermore you have protection if one crop fails at least you have the others. So, we were busily selling that notion all over El Salvador because ten or fifteen years earlier we had taught the fathers of these farmers who traditionally grew corn and beans and gourds all on the same field at the same time, that that was not the way to go. What you want is the maximum yield from one crop, so decide which one you want and just plant that one, don't plant the others. This was another example of the Indian farmers knowing what they were doing even though they didn't know why. The fact that they didn't know why and we came along and told them they were doing something wrong caused them to switch, although their traditional practices were right.

Costa Rica was a different country, much more advanced than the other four Central American countries and much different politically, socially and culturally. It is an interesting fact of history that there was no gold in Costa Rica, there were no indigenous Indians, so the Spaniards who settled in Costa Rica weren't looking for gold and couldn't operate extensive farms that took slave labor because there were no slaves. In fact, they came from a different part of Spain, from Galicia which is in the north and they were small farmers. So, the tradition in Costa Rica was that of what we would call the small yeoman farmer, the do-it-yourself family farmer. The political system that that produced is in many ways very close to what we have here. I should say the political culture more than the system. It is the little guy and it is sharing. You don't have the kind of large hacienda based political elite in Costa Rica, or cultural or social. There are people with privileges and people without privileges and the people with privileges tend to get their own way as often as not, except when you have a real mass interest on the other side and then people can mobilize and they do. That is a situation that we ought to study seriously. I have never seen that done in Costa Rica. To what extent did the small farmer based economy result in a kind of yeoman farmer political culture, which is what we developed and why we developed as we did. We were running the same sorts of programs in Costa Rica but they were miles ahead in things like education and health. Our health program really dealt more with the

administration of a public health program than training doctors or nurses. There were two hospital systems, which is true throughout much of Latin America, social security, which is a system unto itself and then the public health system which is non-social security, which tends to be private and also for people who can afford it. Trying to get those two systems operating in tandem or even combining them, that was what we were doing in Costa Rica.

Again, those countries are small enough so that you can have a real debate as to what you want to keep in a central hospital and what you want to put out into the field. Do you need full blown hospitals in the field or does it make more sense to buy a couple of helicopters and treat those people in clinics in the smaller towns who could be treated there and medivac those who couldn't back to the full hospitals in the larger cities.

Honduras was the weakest of the five central American countries economically for one important development related reason, it was isolated. The Pan American highway went through a corner of Honduras, but it didn't go through the capital. The capital is up in the mountains. The Pan American highway, which does go through the other four capitals, just runs through a corner of the country where nothing much happens. Honduras and El Salvador were still getting over the results of the so-called soccer war between them, which was I think in the late 60s or early 70s. It really was a war that started over a soccer match. There had always been contested pieces of territory up on the border that they both claimed. We were trying to do something about mediating that. I loved the Hondurans. I like the Costa Ricans to, but in a different way, they appealed to me politically. The Hondurans are soft spoken, gentle people who speak beautiful Spanish because it is old fashioned, having been sitting up there in the mountains all these years and not picking up all the bad habits of some of the other countries.

There was an oligarchy, elite, in Honduras, but nothing like what existed in El Salvador or Nicaragua. The government was more middle class, and there was a middle class, in large part, I think, because there was a large merchant class. San Pedro Sula, which is the industrial city in the north of Honduras is a port on the Caribbean. There is a lot of movement in and out of that port. So, you had a merchant group and a banking group, many of them of Middle Eastern ancestry. For some reasons, some of them have been there for two or three generations and are quite amalgamated into the national life country, although they are still referred to as Turkos, Turks, which is the Latin American word for anybody from the Middle East. So, that has a modifying effect on the landed elite. You have some large farms in Honduras but the country is not as given over to that form of agriculture as El Salvador or Nicaragua or Guatemala.

Q: What was the development objective in these countries? Did we have any common theme to what we were trying to do?

LAZAR: General development. One specific set of things was the Central American Common Market. We had started early on, in 1964, to talk up the notion of these five small countries getting together and pooling their resources and talents. I think at the time we may have been talking import substitution, although I don't remember that. But, we certainly were talking about increasing the free flow of products throughout the region. At the time we didn't want Panama in it because that might

have given Panama a different kind of pivot point other than the United States. Did you know Ollie Sause? Well, Ollie set all of these programs up in the 60s. There was in effect a planning mechanism. There was a political body that made policy, a development bank, and a technological and research and extension institute. There was the Inter-American Institute for Agricultural Sciences, which I think came out of the old IIAA, and a spinoff in agricultural extension work, the name of which I can't remember now. But, those two organizations are still very much alive and working all over Latin America and now in the Caribbean. I worked with them in Haiti, for example. However, the Common Market organizations have been, if not quite dormant, sort of limping along. But, I have seen just lately that we are trying to reactive them and get the Common Market moving along.

Q: Do you think the concept of regional integration worked or was working?

LAZAR: No, it was not working. You had a war between two of the members and then you had an earthquake right in the middle of the area. The other four countries don't much like the Costa Ricans and that was always a problem. I must say the Costa Ricans think they are superior, and in many ways they are. They are better educated and more into the 20th century. And then, following that you had the insurgencies breaking out in Nicaragua and El Salvador, and to some extent, Honduras and in Guatemala, and that just took all of their energy.

Q: But, at least those two regional institutions were a product of this time and proved to be quite effective and sustained?

LAZAR: Yes, the IICA and the extension service, also based in Costa Rica, have continued and have been and are very effective today. There is still US funding for IICA which goes through the Department of Agriculture, rather than AID. They have always maintained contact with it. That has to do with animal sanitation, too. One of the things that was done at some point was to wipe out hoof and mouth disease in Central America, an obvious win-win for both the US and the Central Americans.

Q: Wasn't it the time that you had ROCAP?

LAZAR: Yes, thank you.

Q: How did ROCAP fit into that picture?

LAZAR: With as much difficulty as the individual AID missions could create, I must say. And, it was not always clear whether what you were doing had a regional context or bilateral rationale. ROCAP overreached at times. It tried to run programs in individual countries with the notion that they had a regional aspect. This was the sort of thing that was sure to cause bureaucratic dogfights, and it did, but it worked. It was pretty effective. It did keep those other institutions going and did make progress in pushing the countries towards a common market approach, which they were doing more and more before the thing fell apart. I think it does make sense. Certainly not from an import substitution point of view, but in this age of global capital markets it certainly does make sense to get the broader resource and consumer base that you can get by pooling, uniting those economies.

Guatemala was about like El Salvador culturally, socially. You got the same result you did in El Salvador for the same reason. Guatemala was a little different in that the insurgency was much more indigenous, much more peasant led. There were young middle class or upper class involved in it and, probably leading it, but it was much more an indigenous war. People have maintained their own traditions much more in Guatemala than in any of the other countries in Central America. Partly because of geography, it is very mountainous country, and the roads aren't good and the country is large, so you don't have large numbers of rural people going in and out of the big cities. Some do, but mostly they stay up in the mountains, or come down to the coast to harvest coffee at that time of year. But, that is like moving a whole village down there. They bring their culture with them and then go back home, so the rub off isn't as great.

And then there was Belize which is a fun country. We had no AID program there; my concerns were purely on the diplomatic side. I am amused to see that it has become very popular as a tourist resort. When I was on Central American Affairs, I think the British had just liberated it and had the heaviest influence in Belize. It was a British colony which the Guatemalans claimed and I had to be careful when I was in Guatemala to refer to it as Belice (the Spanish pronunciation) and when I was in Belize to refer to it as Belize (English) and not slip the other way around as I was presumed to be friendly or at least neutral. But Belize gave me some exposure to the Caribbean that I hadn't had before. It is a Caribbean country although at the time with increasing numbers of Salvadoran immigrants. It now is growing some of the best marijuana around, I understand, smuggling it up through Mexico into the United States.

Q: Any major effects of the program in these countries or was it mostly maintaining a political relationship during that time?

LAZAR: No, I think you can see results of our program in these countries after some 15 or 20 years. They have all come a long way in terms of creating infrastructure, in terms of administration, in terms of governments. They are certainly all doing better economically. They are growing. I saw some health statistics within the past year which showed some real changes. Infant mortality way down, maternal deaths way down, life expectancy at birth way up, life expectancy at five years, which is even more important because it doesn't have the infant death, considerably better than it was. And, production figures were up. We put a lot of money in those countries, sometimes for the wrong reasons. But, I am not talking about the amount of money we put into El Salvador during the war. We put a lot of money into Guatemala, not counterinsurgency, and in Nicaragua both before and after Samoza. And life is getting better. It is getting better in the ways we tried to make it better--education, health, income, production. I think there is a connection. I don't think those are accidental, particularly in four or five countries over the same period of time.

Q: Anything else on that position or any particular issues?

LAZAR: Not at this time. One general observation that I thought about, which goes to the nature of what we do, people in the development business, external assistance. What kind of an impact have we had? Has the AID program worked?

I have always felt and still feel that we probably don't make anything happen that wouldn't have happened anyway, but we make it happen sooner. You get higher standards of education. You get higher standards of public health. You get faster growth, faster construction of infrastructure than would have happened without us. So, in the short run you are simply accelerating. In the long run what that acceleration does gets very complicated and is not necessarily all for the good. I think back to Taffler's first book, and he is talking about the United States, where he says that one of the things we are finding disconcerting is not just the fact of change, it is the pace of change. The changes have been made so quickly. I think you can hear a lot of that in our debates today. It is sort of as though you can't rest anywhere. We have lost that old feeling that sure there is progress and that is good, but essentially things when I die are going to be about the same as I found them when I was born. That is no longer true.

Q: You are talking about people in developing countries?

LAZAR: Well, he was talking about people in the United States and I think you hear a lot of that in the United States today. That is one major thing I think is upsetting people. That's true and may be even truer in the developing countries where you still have, and certainly had in Peru and Bolivia, and we talked about this earlier, large numbers of people who were living in isolated circumstances in communities, who did have the mindset of permanence and then how that was changed by the transistor radio and by transportation, etc. It must be very upsetting to them. But then, you know, at some point we must realize that we can't always draw lines between "developed" countries and "developing" countries. Development, after all, is a process, not a condition. So, really, we are all developing countries.

Q: In that observation you were also talking about the growth of urban areas and the movements of people?

LAZAR: Indeed, and it is not just a switch from rural to urban. You have large numbers of people in Mexico City today who were born in that old mindset and now are in these urban areas where things are changing very quickly and where indeed they see all around them things that they want--the revolution of rising expectations - as relevant a concept now as it was in the 1960s when it was coined.

Q: What issues do development experts face in these countries?

LAZAR: I could answer that in a lot of ways. One of the more interesting aspects to me is our push for democratization, for greater participation in these societies. I am not about to make a case for dictatorship, but one wonders with large numbers of people who all of a sudden are aware of what they don't have where that goes in a short run. You certainly have seen it in Mexico, in some of these uprisings in some of these guerrilla groups, albeit they are urban led and not peasant movements, but they do have large peasant components. The gunpowder is there if someone wants to supply the tinder. I think you probably see that in Zaire today. That is one aspect of it. What development practitioners from the outside coming into a country can do about it I am really not sure. You certainly want economic growth as accelerated as possible and I would say as dispersed as possible.

Otherwise you are just exacerbating the situation. Popular participation in that sense certainly. But, it has caused problems, is causing problems and is going to cause problems. Then we go back to the old split between the "State Department view" and the AID view, the tactical situation and the longer range strategic approach, which I certainly saw a lot of in Latin America, where an economic officer in one country said in arguing that AID funds should be oriented to short-term projects that development is "destabilizing." Well, it is, but AID doesn't "cause" development; development is what in fifty years we will call history. But AID can help those countries shape the way it happens. And, of course, much recent history, especially though not uniquely in Central America, has taught us that many of our own attempts to "maintain stability" have touched off explosions.

A special assignment with the OAS - 1973

Q: Where did you move to next?

LAZAR: I was secunded to a job in the Organization of the American States (OAS), which was interesting. They do have and did have a large number of development programs as you know. It is not one of the more efficient international organizations or at least it was not, and I have some reason to suppose that it hasn't changed.

International organization work, even the best of it, the World Bank, is a world where countries are concerned about having adequate numbers of their nationals in jobs, where programs for various countries or at least relative amounts of money to be spent in various countries, are negotiated at the political levels between representatives of those countries and the secretary general of the organization and then it is up to the development people to try to make sense of what you do with that amount of money. The political determinants of development programming are very, very heavy, both directly in that negotiation sense and in placement of personnel--who will head which program. This is also a subject of political negotiation. It was quite a fascinating thing to see. It was the first insight I had into international organizations.

Q: What was your job?

LAZAR: I was the Executive Officer of the Development Secretariat. We would call it the deputy to the director of that office, which covered the whole range of development programs.

Q: What was the mandate of that office in terms of development? What was the focus?

LAZAR: They didn't really go about it that way.

You had the various divisions, the education program, the tourism program, the tax program, the health program and several others that I don't remember right now. They were all busily engaged in negotiating at the country level and trying to develop interest in programs that they had to offer which then would come up through their country representative, who would say that that division needs more money because we want them to start a program in our country. It was about the employment of development technicians for one thing.

Q: People from the Latin American countries?

LAZAR: Yes, but not necessarily from the countries requesting these programs. You wanted your division to have lots of requests so that you could get lots of budget, and then you hired a lot of people and you had a big program.

Q: Were they good programs?

LAZAR: A number of them were. One important program which was popular and which was very well done was a regional planning program, run by an American, Curt Rogers. They did in the first instance a lot of excellent mapping. Regional could mean a regional program within a country or a regional program which embraced several countries. They would do the underlying studies which would then support requests for infrastructure to the World Bank or the Inter-American Development Bank. So, they were doing really the feasibility bases and very, very well done.

The tourism program was good. It had a lot of impact in a lot of countries. I have always been rather skeptical about tourism on a couple of grounds. One of them is economic. For years in Spain, for example, as I recall, the foreign exchange cost of importing the sorts of stuff that was necessary to attract tourists, everything from foreign liquor to various other sorts of commodities, was more than the tourists were bringing in, and, of course, tourism is usually considered a great foreign exchange builder. But, anyway, the OAS tourist program was good. They did the initial work, I think, on Cancun, working along with the Mexican planners. Cancun had been one of the more successful tourist developments, developed for tourists rather than a place like Acapulco which was there and simply got more and more popular so they built more and more hotels. Acapulco wasn't planned is my recollection, but Cancun was. It was a great impact in the Caribbean, which doesn't have much else going for it.

Q: Were they any projects, apart from those, that stood out in your mind that were particularly effective?

LAZAR: Yes, some of the tax work was pretty good. AID had had a tax program which was run jointly with the IRS, which ran into two sets of difficulties. The first was that many people in the IRS just weren't culturally sensitive. They had a sort of one size fits all approach and whenever there was resistance to some of their ideas they assumed the way to get those ideas through was to have the ambassador pound on the president. That didn't help with the second problem they ran into in Latin America which was that these were all gringos telling local people what to do and that is a tough one. The OAS programs didn't suffer from either of those two basic problems. These were, if not countrymen, and they usually weren't, they were at least Latin Americans and they understood the climate they were working in. I think very few of the people working on that program were as good technically as the IRS, but they were pretty good and in my experience you don't always have to be state of the art to help bring a program along in 20 years rather than 40 years. They did a lot of that. I don't remember any specific country programs that I can point to in that sense that worked.
The OAS program is way down now. I don't remember any amounts.

Q: Did it generate any policy discussions with the country?

LAZAR: Yes, I was just thinking the other thing that it did, which was very helpful and we really started this, was that every member country's economic program was reviewed every year by a committee which was chaired by the head of this development secretariat. The head of the development secretariat had been an American position for years, and years and years. We finally agreed to turn it over to the Latin Americans. The deputy position then became a permanent American position. I can't remember the name of the guy who used to do these reviews. If I did you would know him. A very high powered development economist. For years this was a very potent way of backing the play of the people in-country who knew where they thought the country ought to go but didn't have the political clout themselves to do it.

This leads me to another diversion, on the issue of conditionality. If properly done, you don't just walk in and tell a country you have to do such and such. You work with the people in-country and I have never seen a country in which they didn't exist - a Minister of Finance or a Minister of Planning, who do see where the country needs to go, and steps that need to be taken. These are frequently unpopular measures, like lay off 25 percent of the people on government payroll. They are not there because anyone thinks they are carrying out needed functions, they are there because of political favoritism, etc. When as a condition of assistance - and this is true of the World Bank and the IMF, and was true of AID when we were talking macro economics - you have an outside assistance provider saying this is really what needs to be done and if it isn't done nothing we can do is going to help. It is up to you, but these are the choices. There are no other options. Then the minister gets his support and the political powers to be in the country have the cover of saying: "we are not doing this because we want to, we are doing it because it is being forced on us and we don't have any choice." So, you give them that political cover. It doesn't necessarily make people love the United States, except the people who are there and know what is going on. The population at large isn't happy, but the people who know what is going on appreciate it and understand it.

Q: Was there a particular policy that the OAS group was focusing on?

LAZAR: Yes, overall development policies.

Q: Mostly macro economics?

LAZAR: Yes, macro economics, but also project quality.

Q: Much like the banks and the Funds?

LAZAR: Yes. And without the resources. The OAS, to my knowledge, never had macro economic programs. They never put in assistance at that level or in those amounts, but this was done under the rubric of technical assistance.

Q: Helping the countries develop their own views as to what their position should be with the IMF, mostly?

LAZAR: Yes. Or, what kind of measures were necessary, what made sense for them to do.

Q: How long were you at the OAS?

LAZAR: Two years.

Q: Did you have much collaboration with AID in this process or work?

LAZAR: Not too much. There were some projects in particular countries where they did some joint work, but mostly it was pretty much stand alone.

Q: Did it get into any of the areas of common interest today in terms of public administration?

LAZAR: Just the tax work, as I recall. Nothing of what AID used to do in public administration.

Q: They weren't involved in elections and democratic processes, etc.?

LAZAR: Oh, good heavens no. At that point had anybody tried that that would have been considered highly intrusive.

Q: Even by their own organization?

LAZAR: Sure. Their own organization would never have voted for it, or allowed it.

Q: Well, then, let's move on. You were then transferred to where?

A move to the National Security Council - 1974

LAZAR: To the National Security Council as senior advisor for Latin American Affairs. The guy who proceeded me on that job was Steve Low, who also had been a classmate of mine at the War College. The Presidential Advisor for National Security at the time was Brent Scowcroft, who had been a classmate of ours at the War College. When you ask if War College experience is useful, the answer is yes.

Q: What were your responsibilities in the NSC staff?

LAZAR: I am glad you asked because if this is seen by a contemporary audience this was long before Oliver North and the NSC was staff, not operational. What the NSC did was to attempt to combine the positions where there were conflicts among agencies, State, Defense, CIA, all security agencies, so that the President got a coherent picture of what was going on and a coherent set of recommendations as to what ought to be done. Quite a fascinating job.

Q: This was what year?

LAZAR: It was the last year of President Ford's administration, 1974-75.

Q: What were some of the major preoccupations that you had to deal with at that time?

LAZAR: I think the principal thing that the United States government wanted in Latin America at the time was just that it be quiet and tranquil. Not have anything happen that would divert serious attention from the more problematic parts of the world, like Europe and Asia. And, that pretty much happened. The only flap, and it wasn't serious, had to do with oil and OPEC. The President, on the advice of some of the economic people on the NSC, sent out letters to various people involved in OPEC of a pretty preemptory nature. One country that got one of those letters was Venezuela. When I saw the letter before it went out I said, "Wait a minute, you can't send that. I understand what you want the President to do and there is probably a way in which he could probably do it, but if you send this letter to the Venezuelans you are putting them in a position where they just about have to do what we don't want them to do because of the nature of the letter." It went out anyway and that is exactly what happened. Venezuela reacted very strongly.

Q: Was this a letter the State Department had prepared?

LAZAR: No, it was a letter that somebody on the NSC prepared, with State Department and I assume Treasury, collaboration.

Q: Did you get involved in any aspect of development policy towards Latin America?

LAZAR: No, I don't remember anything coming up. It would have been highly unusual for a development problem to come up to the NSC.

Q: Or a political relationship where AID was a factor?

LAZAR: No. That stuff was worked out between State and AID. Had I been there at another time I might have myself raised the question of military assistance to some countries that were really distorting their economies. But, we didn't get into that sort of thing until much later.

Q: How did you find working at the NSC?

LAZAR: Well, it was fascinating intellectually. This government comes together like a moon rocket. All of those thousands, and thousands and thousands of parts somehow fit together and work together. Seen from the inside you sometimes wonder how it happens.

Q: Did you sit in on any meetings with President Ford?

LAZAR: No. I frequently sat in on meetings with the heads of the agencies, but I never sat in on a meeting that he chaired. As far as I can recall different Presidents do this differently, but I don't think he attended many NSC meetings. He let the meeting go and the recommendations would go up to him. Then he might call one secretary or another and talk about it. That was my impression.

Q: Were there any issues outside of your particular area that you observed as significant?

LAZAR: No. I wouldn't have had time. I was taking care of my little part of the world.

Q: You were doing regular reporting?

LAZAR: No, I was not reporting but pulling documents together for tasking reports. Getting reports from State or CIA or Defense on various topics and pulling them together and passing them on up. That is what that job is: asking agencies for thoughts about how a given problem should be handled.

Q: And you were screening what should go forward to Scowcroft or on to the President?

LAZAR: I never saw it as a screening operation. The job was to pull information together. Well, screening, yes, when you take 10, 15 or 20 page position memorandum from three different agencies and get them up to the President in a three page memo. Sure, that is screening, but really boiling down to give him the essence of what is involved. And, of course, there is the routine stuff of briefing papers for Presidential visits and that kind of stuff. And, very importantly, getting after constituent mail. When the President gets a letter, it gets answered by the appropriate people and it gets answered directly and with no marshmallow fluff, which may come out of the agencies but not the President's office. If you know who to write to, this is a very responsive government, quite amazing.

Q: You were there for how long?

LAZAR: About a year. Then I became Assistant Director for Development Planning in the Latin American bureau.

Rejoined the USAID Latin America Bureau as Assistant Director for Development and Planning - 1976

Q: This was when Carter came in?

LAZAR: Yes, 1976.

Q: What were the development policies that you were having to work with or create?

LAZAR: The Latin American bureau had always been a very decentralized bureau which we were able to do because we knew all the players. We knew strengths and weaknesses. For example, if there was a mission director who needed support in a particular area we would see to it that he got a deputy who could provide that. Under those circumstances you can be decentralized. You use a telephone some and cables to keep communications going. That being the case, I pretty well saw the job, as did the bureau, of trying to be sure that various centralizing tendencies in AID, which were starting to get strong at that time, didn't cut into that decentralization anymore than we could help.

The only policy I ever dreamed up and put out in the bureau was to put more focus on the private

sector and economic growth. We had been working with the public sectors all those years of the Alliance for Progress and the feeling was that was going pretty well, but that growth was slow and that more direct attention needed to be paid to the private sector.

Q: What kind of strategy were you proposing?

LAZAR: I wouldn't have proposed the strategy, that is how you do it country by country. That was a mission job.

Q: There wasn't any particular emphasis in the policy?

LAZAR: No, how do you get private sector growth? How do you get a growing economy and an increasing number of jobs, and the focus was jobs? Well, jobs and capital appreciation.

Q: There wasn't any emphasis on small or major enterprise, or just any dimension?

LAZAR: No. We had been working in small enterprise in a number of countries for years, but a lot of that was artisan goods programs (like the marketing program in Bolivia), some women's programs, that kind of thing. We had done a lot of coops, but that was in the agricultural sector (and, of course, in housing).

Q: This was during the President Carter administration and there was emphasis on the basic needs, human rights, etc. Were you involved in those kinds of issues?

LAZAR: Yes.

Q: From a policy programming point of view?

LAZAR: Yes.

Q: What were you trying to do in the Latin American bureau?

LAZAR: I think we tied jobs to the basic human needs rubric. A lot of that thrust in my view, at least the way it was conceived, really didn't make much sense. It started again with the notion that top down, trickle down, didn't work so you had to get down to the grass roots and work from there.

There isn't enough money to do that. You can do all you want and you will take care of the basic human needs of a certain number of people, but you are very unlikely, unless you are putting an awful lot of money into a very small country, to be able to either cover the whole population or, what is more important, institutionalize that approach. I think the approach that AID is taking today, and has been taking for some years, the more macro economic approach plus institutional development, makes a lot more sense in terms of basic human needs. It takes time and it is going to take time. You have to have the economic growth and then you have to have the institutions and the programs that will spread the benefits of that growth. You are not going to see that in a one or two year program.

I remember those thrusts but don't remember specifically what we did to relate to them. Typically we would have sent those directives out to the field, watch what came back and then check what they were doing about this and what they were doing about that, rather then trying to write up a series of strategies in Washington and pass them out to the field. The agency has now gone way over the other way. Administrator Peter McPherson, of course, was a very good man. He was very unhappy eventually about the Latin American bureau.

Q: Why was that?

LAZAR: Well, because it was decentralized and because it was the same group of people. You could call it a club and it certainly was. That has good points and bad points. He saw the bad ones.

Q: Why did he want something different? Was he trying to change things?

LAZAR: He wanted control over it. He felt it wasn't being responsive.

Q: Who was the assistant administrator at the time?

LAZAR: He brought in a guy named Dwight Ink, who was a public administration specialist.

Q: What was Dwight trying to do?

LAZAR: What Peter wanted to do was to break up the bureau, to transfer people out and bring people in from other areas.

Q: He also hired an expert on management by objectives. Were you involved in that?

LAZAR: Yes, you refresh my memory. But, that was the start of that particular exercise. That came out of PPC. Actually nothing came through us, it went directly out to the field.

Q: Any particular development issues that you had to address or work with at that time?

LAZAR: Oh, I am sure there were, but I don't recall at the moment.

Q: How long were you there?

LAZAR: I was there for about four years, much longer than I wanted to be. The guy who asked me to take the job was Lalo Valdez, the AA. I wanted to get back out to the field, but he said if I would just do this job for a while, he would see that I got out to the field afterwards. Well, he eventually moved on to higher things and I guess was too busy to get around to getting me back out to the field.

Q: What was your next assignment?

LAZAR: Well, after that I went to Paris.

New role in aid coordination - US Representative to the DAC - 1984

Q: When was this and what was your job?

LAZAR: I was in Paris from 1984-88 as US representative to the DAC (Development Assistance Committee of the OECD). That was quite a delightful experience, Paris aside, working with a very interesting group of people, namely my counterparts from the other DAC member countries. About half of them had had development experience, the other half had not. They were diplomats and sort of learned as they went along. We exchanged experiences and really learned from each other, which in a great sense, as I am sure you know, means learning from the US because we had done more and done it earlier in development. The whole series of thrusts that we really started and pushed--women in development, environment, evaluation, etc.--all came from the United States, as well as a big push on structural adjustment.

My earlier experience with the OAS came in very, very handy because it had given me an insight into how international organizations worked. (I wouldn't want to insult DAC or the OECD by comparing it too much with the OAS.) The OECD is really a formidable organization. The talent pool is astounding. But, I did understand some of the political and bureaucratic imperatives, which helped me understand some of the stuff I needed to work with or work around.

Q: Do you remember any of the specifics of some of the policy of program functions that were being addressed?

LAZAR: Well, I remember the women in development stuff very clearly. I remember the work you did and are doing an the evaluation system. First getting people to install evaluation systems and then trying to get them to adopt uniform evaluations criteria so that the evaluations amounted to something and were real. And, then through the annual peer review, the country review process.

Q: Did you think that was effective?

LAZAR: I think it was very effective.

Q: In terms of what?

LAZAR: Countries made changes in their programs and in their aid program administration based on those country reviews.

Q: Can you give an example of what kind of changes were made?

LAZAR: Yes, I reviewed the German program. The German program worked the way ICA and the Development Loan Program had worked, separate agencies, separate programs. I think it didn't take us very long to recognize it. I think the DLF only lasted four or five years and it occurred to us it

didn't make any sense, you had to put the two together. Well, I recommended it but the Germans didn't put the two together. But, they did institute procedures for joint programming and for looking at those programs as total programs rather than capital assistance here and technical assistance there.

Q: Did you find the DAC an effective coordinating mechanism?

LAZAR: Well (says he ironically), I think the creation and use of the DAC by the United States was an outstanding success. We started out trying to get other countries to participate, to become donors and join us in this development effort and, lo and behold, today every country in the DAC is providing more assistance as a percentage of GNP than we are. You have to say that is successful.

Q: Do you find development policy and strategy are more effectively coordinated and integrated?

LAZAR: Yes, I think so. One small example, and this didn't happen very often because this was a specific project in a specific country and DAC seldom got down to that level, but we did here. This was in Nairobi, as I recall, where we were building a part of an urban water system and the Swedes or the Danes were building another part of the system. We thought those systems should pay for themselves through users fees. The Scandinavians think of water as a public good. We argued that out. They were principally putting water into some of the poor areas of the city, which would have gone along with their approach to development. We finally realized, I don't think we had been thinking in these terms, and we had never seen the difference in these terms, but we finally realized that we weren't saying that everybody had to pay the same amount for water, we were saying that the whole system had to pay for itself. So, some of the wealthier sections of the city could perfectly pay more for water than some of the poorest sections. And, that is what we went forward with. So, this was an example of a coordination action.

However, getting broad coordination in the field? No, I don't think that DAC has been too effective in doing that. I and my colleagues used to hammer our field organizations all of the time with these messages. But nothing much happened.

Q: How does the DAC relate to the developing countries? It spends all its time talking about them, but how does it relate to them or doesn't relate them?

LAZAR: With the exception of the OPEC countries and measures we took there with them to coordinate policy in countries which often involved direct negotiations with countries, the DAC only works through the member governments. It didn't deal with recipients. I think this has changed to some extent and that some recipient countries now are invited to sit in on some meetings.

Q: So there was no opportunity for the developing countries to present their views, what they thought, at the DAC discussions?

LAZAR: I can remember a couple occasions in which meetings were addressed, and this was an initiative of Joe Wheeler's, by representatives of specific developing countries, not with respect to the program in their country, but to get a sort of DAC feel for recipient points of view. This was done

some.

Q: Did the representatives of the developing countries participate in any way in DAC sessions?

LAZAR: No, other than being asked to give their views on general development issues. But, mostly the approach was working with those countries is the job of the individual member governments. I think any attempt by the DAC, itself, to work with recipient countries would have created chaos. DAC wasn't a development program. DAC didn't have any program, so what would you talk to them about? That was the view.

Q: Well, in terms of what the policy should be, appropriate practices that might effect how the donors behaved vis-a-vis the developing countries because they would have a better understanding of what developing countries view is.

LAZAR: That might have been feasible.

Q: Any other dimension of the DAC that you consider significant? Of course it had a major role in the beginning when it was started in terms of getting other people involved, is it still a relevant coordination mechanism?

LAZAR: I know in some small instances what it is doing because a friend of mine on the DAC, the German representative, went back to work there. He comes through town once or twice a year and fills me in on some of the things that are going on. But, I don't really have a feeling for where the DAC is today. I would say it certainly was still relevant when I was there and doing a pretty effective job hammering out policy.

Q: You finished up there in 1988?

LAZAR: Yes.

Q: Did you have another assignment after that?

LAZAR: No, transition to retirement. I came back and worked for a year as a senior advisor to the group under Alan Wood who wrote the "Year 2000" report, a look at what AID should be in the 21st century.

Q: Would you like to comment about that report?

LAZAR: Well, it started out to be a pretty good report. When the report was almost finished it got sent to a group that was billed as an "editorial group," which was supposed to assure editorial consistency, etc. However, it was really a political group. When we saw the final report the AID people on the group, about a third of the group, all asked to have their names taken off the report and to the best of my knowledge and belief that was done.

Q: Why was the report unacceptable?

LAZAR: Well, because it had been distorted by an attempt to insert a political message. They were very selective about the data that stayed in the report, taking out a lot of stuff that didn't lead in the direction they wanted the report to go. It was a complete corruption. It went from a serious attempt to look at what had worked and what hadn't worked and what might work, to be useful in that sense, to a document that was designed to sell a particular approach to development without looking at the data.

Q: What was the approach they were promoting?

LAZAR: I don't really remember where it came out. I was not taking it seriously at that point. I had asked to have my name taken off of it as had everybody else. Alan died before the report was finished, so there was no push behind it. So it got put on a shelf somewhere. Too bad - it could have been useful.

Q: I gather AID staff was not involved in the original drafting at all and preparation?

LAZAR: AID staff was involved in the original draft. We had a semi finished report which then went up for "editorial work."

Q: I see.

LAZAR: And then I retired.

Observations on international development

Q: Well, that is great. During the course of your conversations you made a number of interesting points about what worked and didn't work in development, what you thought was important and significant. Are there any other aspects of that that you would like to emphasize? What your experience taught you about the effectiveness of development assistance?

LAZAR: The single most important thing, I think, and I am repeating something that I said earlier, is the need, in working at development planning with countries, to take the country as a whole. It is not just an economic matter. You have cultures that figure importantly in how any economic measures are going to play out. You have political traditions to take into consideration. This is why the Marshall Plan approach, and I am not saying this in a pejorative sense, what I mean is the strict macro economic approach to development that we tried in Latin America for years and years and years worked in terms of accelerating development and getting some infrastructure built, it moved the process along, but it wasn't as effective as that same amount of money could have been had there been greater sensitivity to how those countries worked as countries and what particular investments would mean in terms of how those countries worked. Particularly as we work in Africa today, I see a lot of African countries about where Bolivia was in the 1960s....

Q: Why didn't it work?

LAZAR: It could have worked a lot better in terms of income distribution, in terms of job creation, and in terms of political development had those factors been taken into account. But it was just "you do your input, output, matrix and that is all you do."

Q: Another area of interest: the foreign assistance program is very interactive with our US foreign policy interests and political security objectives, etc. Do you find that those other objectives compromised the development assistance effort or reinforced it? Did the development assistance efforts help achieve the security, political objectives? How did you see that from your experience?

LAZAR: When well done, the AID program supported US security and political interests boht in the short run and as they project out into the future. Bolivia was a model. However, where we tried to use development money for short term objectives, where we used development money to build "the road to the next election," for example, that was not an optimum use of AID funds because it meant that there was a better highway foregone.

Q: In development terms it was not effective.

LAZAR: That's right. And it may not have been effective in terms of longer term US interests. The State Department argument always was if you don't have stability in the short term you have nothing in the long term. Well, there is the other side of that too. I give you Zaire and a lot of other countries. You could do both at once, I think. The necessity is to figure out what you are trying to do and the time frame in which you are trying to do it. Change is destablizing. Development is destablizing. But, we don't cause development. Development is caused by the 20th century impacting 17th century societies with 20th century technology as much as anything else. In one way, to look at aid programs is assistance to countries in attenuating the shocks - cultural, political, social, as well as economic - incident to the development process. I think seen in that light you set your short term objectives with those longer term objectives in mind.

Q: How did you find AID as an organization to work in and having a career with?

LAZAR: Well, I loved it. Except for Vietnam I had a marvelous time, the whole time. I can't think of anything I would rather have done for a living and I felt that all the time I was with AID. I was having this wonderful experience and getting paid for it.

Q: Did you find AID an effective organization, that foreign assistance was making a difference?

LAZAR: Yes. God knows there were inefficiencies in the organization. You can't have worked in AID for even five years without seeing that. It at a certain point got sort of loggy. I think that happens to bureaucracies over a period of time. Congress was not without fault in that. The micro management for one thing which was severe and to the point where within the past three or four years I was in some country in Central America, I don't remember which, and sitting around one night talking with some AID people and they were spending about 30 percent of their time answering

congressional inquiries. Boy, that is wasteful. For all that Congress has a job to do, and I take that very seriously, but most of this stuff is coming out of the congressional staffs and they just have no concern with the impact of what they are doing on the time the AID people have to do their primary jobs.

Overall, I found it a joy to work in AID.